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Grier, John Alexander

The U.S. financial law of March 14, 1900

Chicago

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THE

U. S. FINANCIAL LAW

OF MARCH 14, 1900,

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THE REFORM CLUB
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52 William St., New York.

WITH

AN APPEAL FOR ITS RE-INVESTIGATION.

BY

JOHN A. GRIER.

PUBLISHED BY A COMMITTEE OF
SILVER REPUBLICANS OF ILLINOIS.
UNITY BUILDING, 79 DEARBORN STREET, CHICAGO,
ROOM 711.

PRICE 20 CENTS. MAILED TO ANY ADDRESS
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PREFACE.

The Democratic platform adopted at Kansas City at the National Convention of July 4, 1900, nominating William Jennings Bryan for President, and Adlai E. Stevenson for Vice President, contains the following planks in reference to the money question:

"We reaffirm and indorse the principles of the national Democratic platform adopted at Chicago in 1896, and we reiterate the demand of that platform for an American financial system, made by the American people for themselves, which shall restore and maintain a bimetallic level, and as part of such system the immediate restoration of the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation.

We denounce the currency bill enacted at the last session of congress as a step forward in the Republican policy which aims to discredit the sovereign right of the national government to issue all money, whether coin or paper, and to bestow upon national banks the power to issue and control the volume of paper money for their own benefit.

A permanent national bank currency, secured by government bonds, must have a permanent debt to rest upon, and if the bank currency is to increase with population and business the debt must also increase. The Republican currency scheme is therefore a scheme for fastening upon the taxpayers a perpetual and growing debt for the benefit of the banks.

We are opposed to this private corporation paper circulated as money, but without legal tender qualities, and demand the retirement of the national bank notes as fast as government paper or silver certificates can be substituted for them."

We silver Republicans raise no question as to what is the paramount issue of this National campaign, but as it was on this particular issue the Republican party of 1896 deserted their former position as bimetallists for a new one antagonistic to the fair treatment of silver, and as we were not nimble minded enough to follow our former political associates we have chosen a new alliance.

Hence, we deem it important at this time to briefly mass some of the salient points bearing on the further discarding of the silver dollar, which was one of the "agents of valuation" wisely adopted by our forefathers of 1792. There are other very vital political issues in this campaign, concerning which we take a most lively interest, but in this pamphlet our guns are purposely trained on this one special target, the money question.

JOHN A. GRIER,
345, 53d St., Hyde Park, Chicago.

August 1, 1900.

JOHN A. GRIER.

THE MONEY QUESTION.

In these pages we do not propose to exhaust the money question, but the people should more precisely know the pertinent facts bearing on the case, as on such evidence they may be able to consider and decide with more wisdom. We should have plenty of light and discussion on this subject in order to get a more thorough understanding. As great publicity is now uniformly demanded for the proper public treatment of industrial combinations, we demand, with far more emphasis than ever before, greater publicity concerning the increased power of the financial combinations on which these industrial combinations, as well as the people at large, must generally depend for their tools of trade. Our new financial legislation has vastly increased the power of our great financial associations, and it becomes our duty to grapple with this new problem in finance with the greatest care, deliberation and intense earnestness.

If any of the valuable, inherent rights of the American people have been tampered with, or given away, by our representatives in Congress, we should endeavor to realize exactly what we have lost, so that we may be able to use proper efforts to regain these surrendered privileges. We should all endeavor to abandon any foolish assumptions of omniscience! A re-statement and a re-discussion of the responsibility for the past actions of the leading political parties on this issue is not particularly profitable. In 1896 there was a new re-ad-

INTENTIONAL SECOND EXPOSURE

JOHN A. GRIER.

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justment of political partisanship on this issue, which four years of progress in time does not seem to obliterate.

We make this appeal, confiding in the integrity and the desire of the American people to act with justice. Whatever decision may have been made in Congress, an appeal to the people themselves under our system of government is our last resort. By legislation, a momentous decision on financial affairs was consummated on March 14, 1900, by the approval of the new financial law against which we utter a strong protest. This legislation has not been as complete as many of its advocates earnestly demanded, but it is in such shape that future legislation in the same direction can make it far more commanding in its mischievous effects. We earnestly beg for a suspension of judgment and a re-examination of facts!

Under the false assumption that we, or any other nation, or all nations combined, can by any possible legislative act make gold "a standard of value," we have by this act deliberately declared that our present gold dollar "shall be the standard unit of value." The better informed among the advocates of this measure unhesitatingly admit that the value of gold is constantly changing, and hence it cannot be a "standard" of value, in the true meaning of the word "standard." However, such persons claim that gold is less changeable in value than any other commodity, and therefore, the very best that we can do under the circumstances is to select it as our sole "measure," although misnamed "standard." They know full well that a standard, to measure any characteristic belonging to other commodities, should be fixed in itself as to that peculiar characteristic or quality it is chosen to measure in other commodities.

Regardless of the precise meaning of this word in the law, the gold dollar, nine-tenths fine, has been se-

lected as the sole measure of the exchangeable value of all other commodities or services, and of deferred payments. The words of the law say "it shall be the standard unit of value." This is perfectly regardless of the fact that the gold dollar itself may grow in importance, or in exchangeable value from year to year, or from decade to decade. As this part of the new law is construed by so many on the false theory that the exchangeable value, of a certain given weight of gold, is fixed by natural law, we will have more to say on this question as we proceed.

The one other specially objectionable provision of the new law is the gradual retirement of a large part of the credit paper money issued and controlled by the government, and substituting, for this kind of credit money, national bank notes issued by the government to the banks, but then issued and controlled by these corporations. The new law proposes to abandon the two kinds of government credit money which are legal tenders to a very large extent, for bank credit money with the legal tender power almost eliminated. This part of the new law is based on the false theory that it is better for us to issue three per cent interest bearing bonds in order to pay off non-interest bearing United States notes, (greenbacks) and also the treasury notes of 1890, and substitute in their places United States national bank notes furnished to the banks by the government. We, the people, in the course of a short time, unless this law is repealed, will be compelled to use these bank notes almost exclusively, paying to the bankers such an interest as they may see fit to demand. This law most generously surrenders to our national banking corporations this potent governmental function to issue and control the volume of this credit money as a special privilege!

In order that the people may have a better understanding of the new law, we publish it in full, as it

should be subjected to the closest public scrutiny. The nation may adjust itself to these new conditions imposed on the people by this law, but in justice to truth and equity the real situation should be more thoroughly understood. A study of the speeches made by many of the most prominent leaders advocating this law in Congress exhibits gross misstatements and misinformation that should not go before the people unchallenged. A law that acts so favorably to a comparatively small, select class of our fellow citizens, and so unfavorably and unjustly to the mass of the people, we denounce in the strongest terms as an unwise and unrighteous law. If our position is correct, honest men everywhere will repudiate this law as soon as they fully grasp its folly and immorality. The people should be able to face the issue deliberately and judiciously, and the only method to do this is to face it intelligently. We appeal to your intellects, not to your passions!

A COPY OF THE FINANCIAL LAW OF MARCH 14, 1900.

An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Sec. 2. That United States notes, and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million

dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

Sec. 3. That nothing contained in this Act shall be con-

strued to affect the legal-tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

Sec. 4. That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

Sec. 5. That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety, and June thirteenth, eighteen hundred and ninety-eight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this Act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

Sec. 6. That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the Treasurer or any assistant treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than twenty dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve: Provided, That whenever and so long as the gold coin held in the reserve fund in the Treasury for the

redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended: And provided further, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for: And provided further, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less: And provided further, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order. And section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.

Sec. 7. That hereafter silver certificates shall be issued only of denominations of ten dollars and under, except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed, be retired and canceled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of less denomination than ten dollars shall from time to time be retired and canceled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and canceled.

Sec. 8. That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: Provided, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars. Whenever any silver bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

Sec. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent sub-

sidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.

Sec. 10. That section fifty-one hundred and thirty-eight of the Revised Statutes is hereby amended so as to read as follows:

"Section 5138. No association shall be organized with a less capital than one hundred thousand dollars, except that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than twenty-five thousand dollars may, with the sanction of the Secretary of the Treasury, be organized in any place, the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than two hundred thousand dollars."

Sec. 11. That the Secretary of the Treasury is hereby authorized to receive at the Treasury any of the outstanding bonds of the United States bearing interest at five per centum per annum, payable February first, nineteen hundred and four, and any bonds of the United States bearing interest at four per centum per annum, payable July first, nineteen hundred and seven, and any bonds of the United States bearing interest at three per centum per annum, payable August first, nineteen hundred and eight, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of two per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue, and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: Provided, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of two and one quarter per centum per annum; and in consideration of the reduction of interest effected, the Secretary of the Treasury is authorized to pay to the holders of the outstanding bonds surrendered for exchange, out of any money in the Treasury not otherwise appropriated,

a sum not greater than the difference between their present worth, computed as aforesaid, and their par value, and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section thirty-six hundred and ninety-four of the Revised Statutes: And provided further, That the two per centum bonds to be issued under the provisions of this Act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the Treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this Act, a sum not exceeding one-fifteenth of one per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

Sec. 12. That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national banking association now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: Provided, That nothing herein contained shall be construed to modify or repeal the provisions of section fifty-one hundred and sixty-seven of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: And provided further, That the circulating notes furnished to national banking associations under the provisions of this Act shall be of the denominations prescribed by law, except that no national banking asso-

ciation shall, after the passage of this Act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of five dollars: And provided further, That the total amount of such notes issued to any such association may equal at any time but shall not exceed the amount at such time of its capital stock actually paid in: And provided further, That under regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the two per centum bonds issued under the provisions of this Act for any of the bonds deposited with the Treasurer to secure circulation or to secure deposits of public money; and so much of an Act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July twelfth, eighteen hundred and eighty-two, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other Acts or parts of Acts inconsistent with the provisions of this section are hereby repealed.

Sec. 13. That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this Act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

Sec. 14. That the provisions of this Act are not intended to preclude the accomplishment of international bimetallism whenever conditions shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver.

Approved, March 14, 1900.

COMMENTS ON THE FINANCIAL LAW OF MARCH 14, 1900.

In the first section a reference is made to the Revised Statutes of the United States, which defines the

weight of the gold dollar and also of our larger gold coins. This section also makes it the duty of the Secretary of the Treasury to maintain the parity of value "of all forms of money issued or coined by the United States." This juggling with the word "parity," while the standard gold dollar is selected as the sole agent for the redemption of our greenbacks and our treasury notes, and provisions are made for refunding $839,000,000 of United States coin bonds into gold bonds we condemn as particularly mischievous and cowardly. As all national bank notes are issued by the United States, this section virtually gives the Secretary of the Treasury authority to redeem any of these notes on demand in gold. It also gives him the authority to redeem any silver dollar or silver certificates on demand in gold, without saying so in express terms, or providing the gold for this purpose.

The second section makes a more direct permission for the redemption in gold of the United States notes, (greenbacks) and our treasury notes, issued under the law of 1890, for the purchase of silver bullion. It makes a provision for setting apart $150,000,000 in gold coin for this purpose. It provides that if the available gold is not on hand the Secretary of the Treasury can buy it "with bonds or notes of the United States, at such rates and upon such terms as he may deem most advantageous to the public interest." See Section 3700 Revised Statutes. However, this statute is modified as to the bonds, directing them to be short term gold bonds, and the interest not to exceed three per cent. The Secretary of the Treasury is forbidden to re-issue the impounded greenbacks to meet any deficiency in the current revenues. On the 1st of March, the Secretary of the Treasury officially reported that we had $404,000,000 of these two classes of government notes in circulation.

Section Three declares: "That nothing contained in

this act shall be construed to affect the legal tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States." This is a temporary reprieve of the legal tender power of the silver dollar, while the tendency of this new law is to destroy its usefulness as one of our legal tender coins. Logically, our silver dollars should be called in by the government, and all of them sold as bullion for whatever price the markets of the world would pay, but such a proposition boldly made by the advocates of the gold standard would more quickly tend to open the eyes of the people to the momentous financial revolution that this new law will slowly evolve unless repealed. This law will destroy the legal tender power of the silver dollar for the redemption of $839,000,000 in national bonds and of $404,000,000 in national paper money then in the hands of the people!

Section Four establishes two new divisions in the treasury department of the government for the issue and redemption of notes and certificates. In fact, the object of this law seems to be to permit the government to permanently remain in "the banking business" in order to guarantee and redeem its own notes and the notes of the national banks in gold, but to go out of "the banking business" by almost ceasing to issue its own circulating notes.

Section Five provides for the coinage of as much of the silver bullion now owned by the government as may be necessary to retire and cancel the treasury notes now in circulation, and substitute silver certificates for them.

Section Six provides a new method of issuing gold certificates, and legalizes their use as a legal reserve for national banks, without interference with their receipt for customs, taxes and public dues.

Section Seven provides for the cancellation of all silver certificates exceeding ten dollars in value and their

reissue in smaller denominations, with the exception of ten per cent which are permitted to be still used of a larger denomination.

Section Eight provides for the use of part of the silver bullion bought for coinage into silver dollars to be used for the necessary fractional silver currency.

Section Nine provides for the recoinage of worn and uncurrent fractional silver coins.

Section Ten makes provision for the establishment of national banks on a smaller capital in small communities.

Section Eleven makes provision for the cancellation of $839,182,220 United States short term coin bonds, and payable in from 4 to 8 years, and the issue in their stead of gold coin bonds not redeemable for thirty years.

Section Twelve provides that the national banks can obtain a quantity of national bank notes equal to the par value of their bonds, instead of only ninety per cent, which has been the law up to this date. This was a direct loan to the banks of about $24,000,000 at a tax of a half of one per cent per year. It also makes other arrangements exceedingly favorable to the national banks.

Section Thirteen is another grateful tribute to the welfare of national banks, as it reduces the annual tax on their notes in circulation from one per cent to one-half of one per cent.

Section Fourteen is thrown into the law as a bait to catch or hold certain persons who are credulous as to the feasibility of international bimetallism established by international agreements or treaties, rather than bimetallism established by our independent leadership in financial legislation.

These brief comments we hope may, to some extent, assist a few persons in grasping some of the leading

characteristics of this law, who may not have the time and patience to give it more attention.

THE LEGAL STATUS OF OUR PRINCIPAL COINS AND CURRENCY BEFORE MARCH 14, 1900.

It is well to recall the precise words used in our statute laws, in reference to the legal debt paying power of the various kinds of coins and currency affected by the new gold standard and bank note currency law of March 14, 1900. It may also be well to note the amounts estimated to be in circulation outside of the United States treasury, and that held in the treasury, as given by the Secretary of the Treasury in his monthly official report, of March 1, 1900; fourteen days before the law was approved.

The legal status of our gold coins was that of unlimited legal tender money, under the unrepealed clause of the law of 1792; although this clause has been verbally changed in subsequent legislation, it was never less positive. This clause, referring to all the gold and silver coins of full weight, says they "shall be a lawful tender in all payments whatsoever." The amount of gold coins estimated by the Secretary of the Treasury to be outside of the treasury was $612,333,489, and the amount held in the treasury, in coin and bullion, was $413,491,673.

The law of 1878, when referring to the full weight, standard silver dollars, says they "shall be a legal tender at their nominal value, for all debts and dues public and private, except where otherwise expressly stipulated in the contract." The amount of these dollars estimated to be out among the people was $69,139,994, and the amount in the treasury was $409,165,314.

The United States notes, issued by the law of February 25, 1862, and on subsequent dates, all popularly known as greenbacks, but legally as United States notes, were declared to be "lawful money, and a legal tender in payment of all debts, public and private, within the

United States, except for duties on imports and interest on the public debt." See Revised Statutes, Sec. 3588. They were redeemable in coin and could be reissued for current expenses. The amount outstanding was $318,341,366, and the amount in the treasury was $13,069,650.

Silver certificates were never a legal tender for any purpose, but what is practically equivalent in certain cases, they were declared "receivable for customs, taxes, and all public dues, and, when so received, may be reissued." They were also redeemable in silver dollars on demand made on the government. The amount in circulation was $400,103,487.

Treasury notes is the legal name of the notes issued to pay for the four and a half million ounces of silver that was to be purchased per month, under the law of July 14, 1890. The law declares that "such treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and such notes when held by any national banking association may be counted as part of its lawful reserve." They were also redeemable on demand at the treasury in gold or silver coin, but the choice of the coins was left to the discretion of the Secretary of the Treasury. The amount outstanding in circulation was $85,945,227, and the amount in the treasury was $1,252,773.

Our existing national bank system, and the issue of our National Bank notes was first established by the law of June 3, 1864. The law declares that these notes "shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except for duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, cor-

porations and associations within the United States, except interest on the public debt, and in redemption of the national currency." They were also "receivable by every national banking association for any debt, or liability to it, and redeemable at the treasury." They were not legal tender for any debts in private life, from one individual to another. The amount outstanding was $245,739,581, and the amount in the treasury was $3,776,647.

Gold certificates were not a legal tender but were "receivable for customs, taxes and all public dues," and redeemable in gold at the treasury or any sub-treasury. The amount in circulation was $181,266,337.

Fractional or subsidiary silver coins were legal tender up to sums of ten dollars only. They were redeemable on demand at the treasury in other lawful money. The amount in circulation was $74,792,310, and the amount in the treasury was $5,308,841.

Please notice that the new law makes a most radical change in providing for the redemption of the greenbacks with gold only, and forbidding their reissue by the government for current expenses. It also provides for the mandatory redemption in gold and the destruction of all of our treasury notes, as rapidly as the people may hand them to the government.

The gradual retirement of these $318,341,366 United States notes, or greenbacks, and the destruction of the $85,945,227 Treasury Notes will naturally create a scarcity of paper money among the people. It is provided that the Treasury notes shall be replaced either with silver dollars or silver certificates. There is no legal command that any person must use national bank notes, instead of the greenbacks or Treasury notes for general service, but the well known preference of the people, to say nothing of the necessity for the use of paper money instead of either gold or silver coins, throws the door wide open for the far larger circulation

of national bank notes. Extraordinary special privileges have been granted by this new law for our bankers to obtain a far larger supply of these notes at a greatly reduced expense to the banks. The legal tender status of the national bank note is not equal to the legal tender status, either of the greenback or Treasury note, and their issue to the banks by the government is based on interest paying bonds.

We complain that a far inferior, and more expensive paper currency will gradually take the place of our former, better and less expensive paper currency. We contend that by their larger control of these notes and bank credits, based on these notes, the law has given this small, favored class, our national bankers, extraordinary power and control over the financial destinies of the various industries of this nation. We contend that it is a particularly vicious kind of class legislation against which we utter our most solemn protest.

We hold to the principle, that the issue of non-interest bearing legal tender paper money directly to the people, in defraying the current expenses of the government is a far better paper money system than for the government to issue interest paying bonds in order to get the proceeds to issue national bank notes to the banks, and granting them the special, and very valuable privileges, of reissuing them to the people at interest, and controlling the volume issued. We frankly admit that there are two sides to this great question, but with the immense gains in pecuniary profit and power accruing to the national banks, it is easy to see that our national bankers, as a class, are supremely gratified by the provisions of this new financial law. We frankly admit the utility and necessity of banks and the banking business, but we do not believe it should be one of their functions to virtually issue and control the paper money of the nation. We believe this is one of the most potent and important of all government functions,

and should never be surrendered under any circumstances to a second party. In discussing this question, we wish to avoid all passion but we make an earnest appeal to your intellect. The gravity of the issue imperatively demands such a consideration.

A STANDARD UNIT OF VALUE.

PROF. J. LAURENCE LAUGHLIN ON GOLD AS A STABLE MEASURE OF VALUE.

In regard to the use or misuse of the phrase "standard unit of value," perhaps we can draw on no authority of greater weight with our gold standard advocates, than Professor J. Laurence Laughlin of the University of Chicago, who prepared a book of more than 600 pages, containing the report of the Monetary Commission of the Indianapolis Convention of 1898. Certainly no one has been a more staunch advocate in urging our government to drop silver as full legal tender money and adopt gold alone in its stead. Although not a Congressman he has been a prominent leader in the popular, and congressional discussion of this question. In this report he devotes a chapter of twenty-one large pages exclusively in defending and defining his position on the standard. No one can question his scholarship and special ability for this task, acquired from long and persistent study of the history and philosophy of the coinage question. His arguments cannot be answered either by a shrug of the shoulder or a sneer. They must be met by facts and an appeal to reason.

On page 92 of this report he said: "In order to work with perfection as a standard for deferred payments, the article chosen as that standard should place both debtors and creditors in exactly the same absolute, and the same relative position to each other at the end of the contract that they occupied at its beginning; this implies that the chosen article should maintain the same exchange value in relation to goods, rents, and the wages of labor at the end as at the beginning of the

contract, and it implies that the borrower and the lender should preserve the same relative position as regards their fellow producers and consumers at the latter as at the earlier point of time, and that they have not changed this relation, one at the loss of the other." We accept this position of Professor Laughlin as a fair, logical statement of the case in regard to deferred payments. On deferred payments, or what is the same thing, on debts that are due in future, the imperative justice of the continued use of both gold and silver as full legal tender money depends. The grossly unfair legal advantage gained by the creditor, against the debtor, in deferred payments contains the vital element of the entire question of the joint use of the two metals as full legal tender money.

Then this scholarly gentleman proceeds to clearly tell us what is required of a standard and says: "This makes demands which any article that can be suggested as a standard cannot satisfy." This is a most important confession, which we sincerely hope everyone who is an advocate of the new law, which so positively declares that the gold dollar shall be our "standard unit of value" may note with care as he, on the other hand, so positively says no article suggested as a standard can satisfy. He again proceeds with his statement and says: "The business world has thus been forced to find some commodity which—while admittedly never capable of perfection—provides more nearly than anything else all essentials of a desirable standard."

Thus, in summing up his presentation of the issue we agree with him that justice demands a fair, equitable settlement of deferred payments, but we disagree with him when he arrives at the false conclusion that this fair adjustment of debts can be better met by the use of the one commodity, gold, than by the joint use of the two commodities, gold and silver. We agree with him that neither gold nor silver, alone or jointly, can possi-

bly act with perfection in performing this important function of modern business life, debt paying, and at the same time contend that their joint use has acted in the past, and would act in the future, with greater equity and precision than either commodity could alone.

The rigid economic law of supply and demand regulates the exchangeable value of gold and silver just as surely, and as completely as it regulates the values of all other commodities. Recognizing this fact, it neither needs the assertion nor the affidavit of a professor of political economy in a first-class university, to assure the reader of ordinary intelligence that an extra demand for gold, providing this demand is not met by an extra supply of gold, will increase its exchangeable value. Hence, the natural tendency for the extra demand for gold throughout the world will be an increase in its importance, as "an agent of valuation" and cause a fall in average prices and an increase in the burden of debts. Our only chance to avoid this catastrophe, under which we have been suffering since 1873, although relieved to a slight extent since 1896, is the possibility of a prodigious increase in the world's annual production of gold. The phenomenal world-wide rise in general prices during the past few years is logically attributable to this increased production of gold. It has been conservatively estimated that the world's production of gold in 1899, exceeds the world's production of both gold and silver in 1891! The world's supply of either metal for the past century has been exceedingly variable and erratic. The world's demand for these metals for the past century, for coining into full legal tender money up to 1873 has not been satisfied. Think of the enormous use of credit paper money, so frequently based on worthless credit! While the world's demand for silver, for coinage since 1873 into absolutely full legal tender money, has amazingly decreased, yet its production has increased. The coinage of silver has been continued, but let us remember that although we have coined, in the United States, about 500 million silver dollars, we have not coined a dollar of it since 1873, armed with the same full legal tender power which was given by statute law to the silver dollars down to 1873, and to all of the fractional silver that was coined from 1792 to 1853.

But let us make a further examination of the arguments of Professor Laughlin. On page 97, he says: "The choice of a standard lies between gold and silver." "We cannot have two standards of value at the same time without having two sets of prices." He has already conceded the undeniable truth that we cannot have any commodity which is capable of perfection as a standard of value. On page 6 of his "History of Bimettallism" (of 1885), he more bluntly asserts: "There is no such thing as "a standard of value" for future payments in either gold or silver, which remains absolutely invariable; but that, so long as we must use one of the two, gold is preferable, inasmuch as it has proved in the past more steady in value than silver." However, our new law says the gold dollar shall be the standard unit of value. Congress might enact by statute law that a curved line was the shortest distance between two fixed points, but this would not repeal one of the fixed laws of nature. We agree with Professor Laughlin that "a standard of value" is an impossibility, although a very desirable thing to obtain.

We make the positive assertion that by U. S. statute law, we never had such an absurd thing offered to us as a "standard unit of value" until March 14, 1900! In 1873, legislation blundered into almost the same absurd use of words by saying the gold dollar "shall be the unit of value." This misconception of ideas in the minds of the honest advocates for the gold standard has its origin in the misuse of the word "standard." This word is most properly applied to our "standard

coins," approximately similar in weight and fineness, made out of alloyed metal approximately of the same standard of purity. These full legal tender coins made out of these "standard alloys" gave us the two "agents of valuation" to be used at our pleasure, either in exchange for commodities or in settling debts. The phrase "standard unit of value" was never embodied in our statute laws until the passage of this new financial law.

It is a well known matter of official record that from 1792 until 1873, the exchangeable values of our standard full legal tender coins as metal, were never, except at short intervals, precisely alike. One or the other was nearly always at a slight premium. But when used in ordinary transactions this premium was generally neglected, but we did not have two sets of prices as Professor Laughlin asserts that we must have! The money changers always took advantage of this variation or premium, and like the men who gather up the cornout shoes we throw away on the garbage dump, they each find profit in looking after what other people carelessly abandon. Old shoes are collected by the millions, and sold to chemical manufacturers, who obtain from them valuable material for the production of the cyanide of potassium, the very chemical that has added, in recent years, so amazingly to the production of gold from ores of a low grade. The money changers, and the old shoe men simply take advantage of the situation.

Under the bimetallic system, or the use of the two metals, gold and silver, as full legal tender money, we are not obliged to select the dearer metal for coinage for the benefit of the money changers, nor are we obliged to discard our good shoes for the benefit of the old shoe collector. The great privilege we had under the old monetary system was the free choice of either metal, either for coinage into full legal tender money

or for the settlement of our obligations. Hence, while coins of neither metal were fixed standards of value they were "standard" money by which we could pay our debts or make exchanges with entire freedom. The constant demand for the cheaper metal for coinage always tended to make the payment of debts more fair and equitable, from year to year or from decade to decade. As soon as the demand for the cheaper one is denied by law, the tendency is to increase the importance and exchangeable value of the one that is chosen for this duty alone. Hence, the gross injustice of legislation, that declares debts distinctly made payable in "coin," either gold or silver, shall be made payable in gold coin alone!

A great deal is said by Professor Laughlin about the violent fluctuation of the price of silver, measured by gold, since the unwise legislation of 1873. We admit this fluctuation, and have no difficulty in accounting for it as having been caused almost entirely by the unjust legislation against silver, and by an exceedingly unwise treatment of silver, before and after coinage, by our own financial executive officials. It is true our mints were closed against the free coinage of silver ever since 1873, but what was far worse, our government has uniformly discarded the fair use of the silver dollars that have been coined since 1878.

Statute law made our bonds, our greenbacks and our Treasury notes redeemable in coin. Statue law defined with great precision what our full legal tender coins were. Down to 1873, the silver dollar was on a par with the gold dollar for settling any coin obligation under our flag, and after 1878 this was again true, with the exceptional clause in that law which said they were an unlimited legal tender, "except where otherwise expressly stipulated in the contract." But let us remember, our large national contracts were distinctly specified payable in coin. Our financial officials had the op-

tion to use either the gold coin or the silver coin. They reversed the common-sense usage, universally adopted from 1792 to 1873, and instead of using the cheaper silver coin, as the law so distinctly permitted, they surrendered to the creditor this most vital option giving them gold coin on demand. We have led the world in this financial craze against silver, and the world was as quick to follow our example, as it has been to follow in our wonderful progress in scientific and mechanical achievements.

In a most illogical way, Professor Laughlin, when referring to the wild fluctuation in the price of silver since 1873, asserts that "no such sudden and erratic changes have taken place in the exchange value of gold relatively to goods." Let us remind him the experiment of the demonetization of gold has not been made! He then draws a conclusion, which he says is "unresistible," that gold fluctuates least in its exchangeable value!

All through these arguments for gold as the single standard of value, he repeats the false theory, which was strongly pressed in the congressional debate, that whenever the government or an individual used the cheaper coin, as the temporary agent to make exchanges or pay debts, then for the time being this cheaper coin was the standard of value. Statute law did not command us to use either one alone, but statute law wisely gave us the permission to use the cheaper coin, and by that very permission it always tended to prevent the dearer coin, temporarily, from becoming excessively dear by temporarily discarding it from the larger use. This is the beneficial, automatic action of bimetallism that will be utterly destroyed by the adoption of gold as our sole measure or standard for all payments. It is the philosophy of bimetallism in a few words!

When the average American voter realizes the fact that over 839 million dollars worth of U. S. government coin bonds, that would have matured in a very short time (1904-1907 and 1908), can by this fearfully unjust law be exchanged for gold coin bonds payable in thirty years, and that over 434 million dollars of national paper money issued and controlled by the government, which is a legal tender for nearly all purposes is to be called in, locked up or destroyed, in order that the credit paper money, controlled by our national banks, but not a legal tender to the same extent, may have a better chance to fill their place, then we may expect the voters to open their eyes. In short, this new law converts over 1,273 million dollars of government "coin" obligations into "gold coin" obligations. By this law we are to turn over to our bond holders, but particularly for the benefit of our national bankers, hundreds of millions of dollars of new gold coin bonds running for thirty years, in order that they, as a privileged class, may be able to more fully control those indispensable tools of trade, our paper money. It will tend to build up a moneyed oligarchy, fostered by this most generous and special privilege or monopoly, the expense of which must be provided for mainly by the sale of the products of the working people of America. The gold standard part of the law is exceedingly objectionable, but when in addition to this, the people of America must lie down, and await the will of a few thousand national bankers to bind them with financial shackles, it is time for us to show our strength by overwhelming numbers at the ballot box. It means, in the long run, the financial slavery of the mass of the American people to a small favored class!

In regard to the legal status of our silver dollar as being absolutely on a par for a long time with our gold dollar, we quote with emphasis that compact phrase of the law of 1792, when referring to all of our silver coins, which declared "they shall be a lawful tender in all payments whatsoever." The

law of 1837 slightly modified the language but did not in the least weaken the force of this phrase of the law. In 1853, for good reasons, the weight of our fractional silver coins was reduced, and such new coins were deprived of their full legal tender power.

In contrasting this clean-cut, full legal tender law of 1792, with the legal tender power given to our silver dollar, when its coinage was restored in 1878, we will quote the words of this law when referring to these dollars, "which coins together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender at their nominal value, for all debts and dues public and private, except where otherwise expressly stipulated in the contract." By this exceptional phrase in the law of 1878, all debts made in coin, after the legislation of 1873-74, down to the passage of this law of 1878, were fairly made payable in the coin in which the contract was made; but it also opened a wide gate for future contracts made payable in gold alone. This left an opportunity for anyone who desired to be able to discard the silver dollar by contract, which, under the old law of 1792, was absolutely on an equality with gold as "a lawful tender in all payments whatsoever." This exceptional clause has been largely utilized in making private contracts for hundreds of millions of dollars. While the government's contracts were "coin" contracts, yet our government officials discarded the exceedingly valuable privilege, given to them by law, of utilizing our new silver dollars, as the law permitted, when it declared them to be a legal tender for all debts and dues, public and private. This official discarding of silver by the government has been a most potent cause in bringing about the downfall and fluctuations in the price of silver, not only here but throughout the world.

The clearly defined legal status of the standard silver

dollar from 1792 down to 1873, as absolutely on a par for the payment of all debts whatsoever, should close the mouths of all slanderers, made so either through misinformation or by malice and greed, concerning the attempts of bimetallists to debase the coins of our country or repudiate our debts! The exchangeable value of gold has appreciated on account of the legal favoritism shown to this metal for coinage into full legal tender money since 1873! On the other hand, the exchangeable value of silver has depreciated on account of its unfair and unwise legal discarding as full legal tender money by the United States, and other leading commercial nations. Our contention is that we, as a nation, should act as a financial leader in the restoration of silver to its old place, and by this leadership the exchangeable value of gold will be decreased, and the exchangeable value of silver will be correspondingly increased. By this method we would secure a wholesome world-wide rise in prices, and the burden of debts would be decreased. Justice and morality would be upheld. Greater prosperity, far more evenly distributed, would be our reward.

We strongly protest against the utterly false notion that such prosperity as now exists is here on account of the gold standard, that so many erroneously suppose we have had previous to the passage of the law of March 14, 1900. Whatever prosperity we have had during the past three years is in spite of that national evil called, in the Republican platform of 1896, the "existing gold standard."

This so-called, existing Gold Standard, in the Republican platform of 1896, was simply an existing system of limping bimetallism! Unsuccessful efforts have been made ever since 1878 to utterly discard the use of silver as full legal tender money. The partially discarding of the full use of silver has always been unjust and mischievous. However, if our prosperity in the last few

years was due to this system which certainly existed since 1878, down to the passage of this new financial law, why should they not let well enough alone instead of making the radical change of further crippling our limping system of bimetallism? It is true, as is pointed out by many of the most scholarly of gold monometallists, that our new law does not make gold our sole "measure of value" as long as we have over five hundred million silver dollars, and a large amount of government paper money concerning which the new law says the legal tender power should not be affected. Please again refer to section third of the new law! What has been done is simply a stepping stone to far more radical and mischievous changes in our financial system. Future financial legislation is distinctly foreshadowed in the financial planks of the Republican platform.

In accounting for the extraordinary activity in our industrial life since Mr. McKinley became President, no one should forget the demand made for men and materials in order to carry on our war against Spain and in the far East. No one should forget the short crops and distress in so many parts of the earth which were alleviated by the abundance of our own crops. No one should forget the liberal expenditure by the government of money borrowed in such large amounts by the issue of National bonds. No one should forget the extraordinary ability of American mechanical genius, assisted by the skill and labor of our adopted citizens, in turning out cheaply and rapidly such a flood of manufactured articles for which our own country affords such an abundance of raw material. The increased world's production of gold has had an excellent effect in raising prices and stimulating business. There are other causes to be considered as contributory to our increased commercial and industrial activity, without interfering with our firm belief that far greater

prosperity can be attained without the use of gold as our sole money metal, nor the surrendering to corporations that great government prerogative, the issue and control of so much of the credit money of the nation.

THE SYSTEMS OF ALLOYS, OR "STANDARD" COIN METALS, ADOPTED BY OUR GOVERNMENT IN THE COINAGE OF FULL LEGAL TENDER MONEY.

We are assured, on very high authority, that the silver question is dead! Perhaps it is—but it is a rather risky thing for fallible men to set themselves up as dead-sure prophets! When the coinage of full legal tender silver was stopped by the law of 1873, and our gold dollar was declared to be "the unit of value," there was not a single vote, either in the House of Representatives, or in the Senate against the passage of this law. As far as we know there was not an economist, financier, statesman, nor an editor at that time among our 42,000,000 wide-awake people wise enough to utter a word of protest against that momentous and mischievous financial revolution! The silver question was then dead, and officially buried with neither friends nor mourners at its tomb! Times have changed, and we have changed with them!

The recent vote recorded, exclusive of pairs and absent members, in the House of Representatives, on the passage of the law making the gold dollar "the standard unit of value," was 166 in favor to 120 against the measure in the House of Representatives, and was 44 to 26 in the Senate. When the people were allowed to show their preferences at the ballot boxes on this question, in 1896, over six and a half million votes were counted for Mr. Bryan, who stood in utter hostility to this decision, and probably millions of votes were cast for Mr. McKinley under the false impression that he was equally hostile to the gold standard unit of value. We have good reason to believe that the number of voters have not de-

creased, but still firmly hold to the wisdom of the system of having full legal tender coins made of both gold and silver, or two "agents of valuation" instead of one. As we may want to re-investigate this question during the coming campaign, it is well to keep before us, for easy reference, precise information in regard to the systems adopted by the United States in the use of the precious metals for the coinage of full legal tender money.

On the first organization of our mint, in 1792, we adopted the coinage ratio of fifteen pounds of silver as an equivalent to one pound of gold; familiarly stated as 15 to 1. In our first gold coinage we adopted the British system of alloys, or as they expressed it, we made our gold coins eleven-twelfths fine. That is, we used eleven parts of gold, by weight, to one of its alloy, copper and silver. This is what was then called "standard gold." In 1834, on account of finding too much gold in our dollar, and gold not seeking the mint in sufficient quantities, we changed this system by very nearly adopting the more elegant French decimal system of making our gold coins nearly nine-tenths fine. We reduced the pure gold 1.55 grains, and added .35 of a grain of alloy. We abandoned the coinage ratio familiarly known as 15 to 1, and adopted the coinage ratio popularly known now as 16 to 1. In 1837, we adopted the decimal system of alloying with precision, by the addition of two-one-hundredths of a grain of pure gold, and made a similar reduction in the weight of the copper and silver alloy.

Our existing coinage ratio then adopted is approximately, sixteen pounds of pure silver to one pound of pure gold, or as expressed decimally as 15.988 plus to 1. The precise coinage ratio is fifteen and eighty-five hundredths of eighty-six hundredths (15.85-86) of silver to one pound of gold.

Our gold dollar originally weighed twenty-seven

grains, composed of 24.75 grains of pure gold, and 2.25 grains of the alloy, copper and silver. The gold dollar of today, nine-tenths fine, weighs 25.8 grains of standard gold, of which 23.22 grains is of pure gold, and 2.58 grains is of copper and silver. It now contains 1.53 grains less pure gold than it did in 1792, and thirty-three hundredths of a grain more alloy. The silver part of our alloy in 1792, was lawfully permitted to be equal to one-half, but in 1873 it was reduced to one-tenth of the weight of the copper; this was allowable simply on account of the difficulty and expense of the removal of the silver. This alloy of copper and silver with gold is now our "standard" gold coin metal. The alloy is put in our coins solely to make them harder, and thus stand more rough usage. Under the first coinage system, our gold dollar contained 2.25 grains of alloy, but now it contains 2.58 grains. Under the old system our gold dollar contained 24.75 grains of pure gold, but now 23.22 grains. Thus you see a single pound of copper, if copper alone is used, for this purpose, as permitted by law, will alloy 2,713 of our gold dollars. At first the standard fineness for gold coin, as we would express it now, was 916 2-3 fine, but now it is 900 fine; that is, 1,000 parts of our gold coins now contain 900 parts of pure gold, to 100 parts of alloy, copper and silver, or as named in our law, is nine-tenths fine. On account of the prominence of the gold dollar as our present legal standard unit, it certainly deserves this brief, but precise repetition of its history. Neither its full legal tender power, nor its unlimited coinage, has ever been tainted in the least by adverse legislation.

Now let us turn our attention to the discarded and degraded, big white sister of this little yellow queen. In our treatment of silver, we did not follow the British system of alloying which was then, as it is now, 925 fine; that is, 925 parts of pure silver and 75 parts of copper. This is what we, and the British, still call "sterling sil-

ver." In 1792, we adopted the Spanish coinage standard of 892 89-208 fine, and the weight of our silver dollar was equal to the Spanish milled dollar of 416 grains, of which 371.25 was pure silver, and 44.75 grains of copper. In 1837, in order to adopt the more convenient French decimal system of alloy for the coinage of silver as we did for gold three years before, we made no change in the amount of the pure silver in our silver dollar, 371.25 grains, but we reduced the copper 3.5 grains, giving us our present standard silver dollar of 412.5 grains. Thus, since 1837, in coining each two thousand silver dollars we use exactly one pound less of copper. This was the only change we have ever made in the weight or fineness of our much abused standard silver dollar.

We have reduced the weight of pure gold, in our gold dollar, over six per cent, while the weight of pure silver in our standard silver dollar has never been changed. If we should estimate the average price of copper, at twenty cents a pound since 1837, we have debased our silver dollar exactly one-hundredth part of one cent; but by unwise legislation and official treatment, favoring gold and discarding silver as full legal tender money, its exchangeable value, as bullion, has been reduced more than one-half when compared with gold.

DID GERMANY OR THE UNITED STATES STRIKE THE FIRST BLOW AGAINST SILVER?

In a great contest it is often a very interesting and important question to decide who struck the first blow. The question has often been asked, did Germany or the United States lead in the establishment of the gold standard? Bimetallists in the United States make the argument, that as we were the leader in this momentous monetary revolution, it is fit that we should be the leader in rectifying the mischievous step.

We have noticed, that by many private authorities, as

well as by government publications, Germany is said to have preceded the United States. In the Mint Report of 1899, page 457, in a brief chapter giving a summary of monetary events since 1786, we find this memorandum: "1871—Replacing of the silver standard in Germany by the gold standard."

This statement we think needs revision, if historic truth is desired. On matters of this sort we commend a reference to the "History of Bimetallism in the United States (1886), by Professor J. Laurence Laughlin." As strongly as we may condemn many of the conclusions and arguments made in this book, we are pleased to commend his painstaking care in giving many very valuable statistics and historic facts. In fact, in a great many respects there is no book which presents stronger arguments in favor of bimetallism than this one, although it was written by a pronounced monometallist to show the impossibility of bimetallism!

We must remember and should always make due allowance for the fact, that Professor Laughlin is a financial philosopher constantly working on a false theory. The false theory, that clouds all of his views on this subject, is that as it is an impossibility to have any standard of value which is unchangeable, it is preferable to choose gold for the sole measure of value because, as he says: "It has proved in the past more steady than silver." We fully agree with him that we can have no unchangeable standard of value. Hence, we claim that it is a misuse of words to try to establish, by statute law, either one or two "standards of value." We contend that we did have, in the United States, from 1792 to 1873 two "standard" coins made out of two kinds of "standard" coin metals, and that we successfully used these two "agents of valuation" as unlimited debt payers, and as mediums of exchange with good results tending towards equity in debt paying and steadiness of prices. We contend that these good

results could not have been secured by the use of gold alone in the past, and we see no hope in the future in making the attempt. We entirely dissent from his false theory that gold has proved more steady in value in the past than silver, and even if this were true, we hold very firmly to the theory—that when the two are used jointly, the money made of them would be far steadier in value than if made out of either one alone.

We think the evidence given by Professor Laughlin, and by many other good authorities, show that this statement in the Mint Report is erroneous. Germany did not replace the silver standard by the gold standard in 1871, but in 1871 she adopted gold as one kind of standard money, and as a full legal tender, and hence, made it equal to silver as a full legal tender. The Germans simply adopted the system of having two agents of valuation. Silver was then one of her standard money metals, of which she had an immense stock of coins, which were full legal tenders as well as gold, and remained so until 1873. It was not until July 9, 1873, when Germany by decree, or law, made gold her standard, and by making no further provisions for the coinage of full legal tender silver money she then virtually became a gold monometallic nation.

In this book of Professor Laughlin's, pg. 237 to 244, a translation is published of some of the German monetary laws. In Section 10, of this law of November 23, 1871, pg. 239, the coinage of large silver coins was ordered to be stopped. Now if the stoppage of the coinage of large silver coins, that is the full legal tender silver coins, is the adoption of the gold standard, then Germany preceded us. However, there are some interesting historical facts bearing on this position that it is well to remember before we adopt such a hasty conclusion. One of these is that Germany having demonetized gold had for some years been exclusively on the silver standard, but by this law of 1871, she made

provisions for coining a new style of gold coins, and made them an unlimited legal tender, but did not interfere with the full legal tender power of her old silver coins. We repeat the statement that Germany under this new law of 1871, simply made provision for a new variety of standard coins of gold. She had the silver coins in great abundance, and hence, for a short time, either gold or silver was a full legal tender absolutely on a par.

Germany coming out of the French war victorious, and as she had received from France over five thousand million francs as a war indemnity, much of which was paid in gold, she seized the opportunity to use a part of this gold for coinage, on government account, for this new change in her currency system. The smaller principalities or nations that were consolidated about this time into the one great German Empire, are said to have had seventeen varieties of gold coin, and sixty-six varieties of silver coin! It was pre-eminently wise to cause a re-adjustment of this confusing mixture, hence, nearly all of their gold coins were called in for re-coinage under their new monetary system of 1871. While this gold coinage was in progress, and the German mint crowded with this work, but not yet having commenced the readjustment of their wonderfully mixed system of silver coinage, on February 12, 1873, the United States adopted the gold unit of value and stopped the coinage of full legal tender silver, the amount on hand being very limited. Now please note the date, July 9, 1873, almost five months after us, Emperor William issued his decree by which as Article first says: "In place of the various local standards now current in Germany, a national gold standard will be established."

This is an elaborate law containing full details of the coinage, and makes provisions for the coinage of new silver coins and minor coins of base metal. Both the silver and the minor coins were to be of a limited

legal tender. This law did not interfere with the full legal tender power of the old silver thaler, of which it is said even to this day there are over one hundred million dollars worth still in existence in Germany. In Chapter X, pg. 135, of Laughlin's History, there may be found an interesting and fuller discussion of this historical event.

Now is it not reasonable to suppose that our financial legislation of February 12, 1873, had an influence on the legislation of Germany of July 9, 1873? Did not our legislation act as a stimulant or an example to Germany? Are not we, to a certain extent, morally responsible for this rash act of Germany?

Following the leadership of these two great commercial nations, one nation after another has imitated the example set by us, and the enormous increase in the world's production of gold seems to be unable to keep pace with the increased demand for gold. This, by our reasoning, accounts for the pernicious part in the fall of the average range of prices which has brought great fortunes unjustly to a select few, and bankruptcy and misery to countless millions of the human race.

THE ORDER OF PRESIDENT JEFFERSON OF 1806, STOPPING THE COINAGE OF SILVER DOLLARS.

PRESIDENT JACKSON AS AN ENEMY OF BANK MONEY.

The historical incident of President Jefferson directing the stoppage of the coinage of the silver dollar, on May 1, 1806, has been most sadly perverted by gentlemen of national eminence in advocating the gold standard. This order has frequently been defended by bimetallists, but their defense has often been worthless, as even they have sometimes neglected to examine the historical facts with sufficient care. The statements we are now about to make are not new, but it is well to have them repeated and have the facts clearly laid before you for reference.

In that great, keynote, campaign speech at Columbus,

Ohio, of August 15, 1896, made by Senator John Sherman, when speaking of this incident, in order to minimize his prominent part in the financial legislation of 1873, sarcastically said: "This order of Jefferson, I suppose, would be called by our populistic friends the crime of 1806." At that time the Secretary of State, James Madison, issued the following order, as he was the officer who had charge of our coinage at that time:

Department of State, May 1, 1806.

Sir:—In consequence of a representation from the Director of the Bank of the United States, that considerable purchases have been made of dollars coined at the Mint for the purpose of exporting them, and as it is probable further purchases and exportations will be made, the President directs that all the silver to be coined at the Mint shall be of small denominations, so that the value of the largest pieces shall not exceed half a dollar. I am, etc.,

JAMES MADISON,

Robert Patterson, Esq., Director of the Mint.

A copy of this order may be found on pg. 166 of the Mint Report of 1895. Mr. Preston, then the Director of the Mint, discusses the order to a certain extent, but does not seem to explain to our satisfaction the reason why the half dollars, quarters, ten-cent pieces and five-cent pieces were preferred for coinage by Mr. Jefferson and the Presidents succeeding him down to 1839. He quotes an idea on economizing labor in coinage from Prof. Laughlin, that pre-eminent purveyor of financial brain food for the gold advocates, who, when speaking about our dollars leaving us from 1793 to 1806, says: "This process kept the Mint busy, without the effect of filling the circulation with our own coins. The Mint, therefore, was a useless expense to the nation, but a source of profit to the money brokers." The Director of the U. S. Mint in his last annual report says that

about $30,000,000 of our gold coin was exported last year, but no one suggests that our gold coinage should be stopped!

It is well worth while to throw a little more historical light on this incident, so that when anyone either directly, or by inuendo reflects on the wisdom and law-respecting habit of Thomas Jefferson in this particular action, we can answer them with a certainty of quieting the slanderers.

By the Mint Report of every year, the statistics that I am about to quote can be seen, but they have been carefully re-examined for this article, and we refer to the table in our Mint Report of 1899, commencing on pg. 198. By a little plain arithmetic you can find that the entire coinage of silver from 1793, until the end of 1805 was $1,910,402, of which $1,439,517 was in dollars, and nearly $471,000 in fractional silver coins. Our gold coinage during this period was $2,547,557. Here was a coinage of less than a million and a half silver dollars in a period of about thirteen years! The Philadelphia Mint more than twenty years ago, when it was not nearly as well equipped as it is at present, coined over two million silver dollars in a single month, in addition to considerable other coinage. Our mint was organized in 1792, but only a trifling amount of coinage was done before 1793, but down to 1806, our total coinage for thirteen years, in gold and silver, was only $4.457.960. Please note the contrast. During the fiscal year 1898-99, we coined nearly $136,000,000 in gold and silver! We are no longer an infant nation!

If in these old days, of smaller things, at the commencement of our life as a nation if we lost nearly a million and a half dollars in a dozen years, it was well enough to look after the little leak. However, more gold coin has left New York for foreign ports in a single day in recent years, than our entire gold and silver coinage for the first thirteen years of our coinage system! Coins are made to be spent and the government cannot control all the actions of the owners.

The use of foreign silver and gold coin in those days was a necessity, but the light and well worn Spanish and other silver coins, passing from hand to hand as a circulating medium as legal tender had a tendency to drive our new and full weight silver coins into the hands of the money brokers for foreign exchange. We lost our silver dollars in those days, although, as can be seen by reference to a mint table, see pg. 162, Mint Report of 1899, we put about three per cent less silver in our silver dollar than its bullion value, measured by our gold coin from 1793 to 1806. You can see by this Mint Report that the exchangeable value of gold to silver was 1 to 15 in 1793, the same as our coinage ratio at that time, and it was 1 to 15.37 in 1794 and reached 1 to 15.79 in 1805. The average for these twelve years, 1794 to 1805, including both, was 1 to 15.51. Thus it is shown by these official reports that while we used but fifteen pounds of silver, to one pound of gold in our coinage, during the twelve years immediately preceding 1806, it required on an average 15.51 pounds of silver to be equal to the exchangeable value of one pound of gold. This shows that our silver dollar during this period was worth as bullion about three per cent less than our gold dollar! As at that time and until 1853, we used precisely the same weight of silver to make two half dollars, or four quarters, or ten ten-cent pieces, or twenty of our five-cent pieces as we used in the whole dollar, yet by exportation we were losing our cheaper silver dollars faster than our dearer gold coin! As bullion for exportation, the fractional silver coins were exactly of the same value as our silver dollars.

Now let us recall a little bit of ancient history concerning the silver dollar, and offer it as a plausible cause for the exportation of our silver dollars, making them more popular for foreign trade than the fractional silver

coins. The silver dollar was at that time an old coin, well known throughout the world in size and general appearance for nearly three hundred years. It circulated at first under the German name "thaler," from which we derived the name of our dollar. The Spanish milled silver dollar, so very extensively used for many years previous to those days, was our model which we followed, in weight and fineness, when we adopted our own silver dollar. These Spanish silver dollars, as well as many other foreign coins, of gold and silver, were made a legal tender in 1793, and they circulated side by side with our own coins. Our dollars were new, bright and unworn! They represented a newly born nation! There was probably some sentiment among our own merchants, when they went off on their trading tours, tempting them to collect these new dollars for use in their foreign trade. Their customers may also have had some sentiment, or preference for them. At all events the million and a half seemed to be leaving us according to the report of the bank director.

Silver bullion offered for coinage in those days, of small things, was not plentiful, and our forefathers recognizing the fact that our coins, like our flag, were representatives of our national power and life, and they wisely directed that we should use all of the silver offered for coinage to make as much show and to be as useful as possible, hence, they used the silver bullion exclusively in coining our fractional silver coins. It was no violation of statute law; it was no leaning towards the demonetization of silver! In fact the nation was on short rations as to silver bullion for coining, and our forefathers wisely recognized the situation. All of those fractional silver coins which were made up to 1853 (over seventy-seven million dollars worth) were absolutely on a par as debt payers, with gold until the passage of the law of February 12, 1873. There is a legal question that has never been settled by the courts

that the act of 1873, did not demonetize these old coins, but their demonetization was made certain by the passage of the Revised Statutes of July 22, 1874. All of the fractional silver coins, that were made after 1853, were reduced in weight and called subsidiary silver coins, and the legal tender power of such coins was then purposely reduced to the extent of payments up to five dollars.

In the thirty-three years from 1806 to 1838, including both years we coined but one thousand silver dollars (in 1836), but coined over forty-nine and a quarter million dollars worth of these then absolutely full legal tender fractional silver coins. During the same period, we coined a little over twenty-two and a half million dollars worth of gold coins. At our then coinage ratio of 15 to 1, silver was the cheaper metal up to 1834, when we adopted our new coinage ratio of sixteen to one, and our coinage of silver was constantly greater than that of gold during these thirty-three years. It is probable that our mints were constantly working up much of the wornout foreign silver coins. People always show a preference for clean, bright money. We, who can recall events previous to 1857, well remember the resemblance to sheet tin, of the wornout Spanish fips, levies and quarters we then used so extensively in everyday life. However, there are some who still mourn over the fact that in 1857, we demonetized all foreign coins. Some of these mourners actually attribute the financial panic of 1857 to this wise financial legislation, that the United States should coin all its own money.

We fully believe in the American doctrine of making all our own coins, and of their use, exclusive of foreign coins, as legal tenders. We also believe in using just as much silver or gold in them as we see fit. We do not ask the consent of any other nation, as to the number of stars and stripes we put in our flag, and should be just as independent as to the number of grains of gold or silver we put in our coins. Each one is an emblem

of our national power! They are made so by national statute law, and it is incipient treason for any loyal American citizen to deny these constitutional rights. In fact, this constant boasting made by the gold advocates that they alone wish to maintain the honor of our nation very strongly conflicts with their practice of denouncing the legal tender power of one of the principal coins of our country. It is neither wise nor patriotic.

Misinformed men generally, but sometimes base slanderers, play falsely with the reputation of President Andrew Jackson in regard to the gold legislation of 1834. Under Jackson, with Thomas Benton as his right hand fighting man, the increased coinage of gold was secured by a change of the coinage ratio. The contest then, as now, was against the increased power of the banks to issue and control the money of the people. The great object of that day was to make gold coin, to a larger extent, take the place of bankers' credit and their credit money. Jackson led the people to victory!

THE FULL LEGAL TENDER SILVER COINS MADE AT OUR MINTS FROM 1792 TO 1873.

Hon. John Wesley Gaines of Tennessee, in his very able speech of December 13, 1899 (see Congressional Record, page 364), publishes this valuable piece of information on the coinage of full legal tender silver at our mints from 1792 to 1873:

Treasury Department, Bureau of the Mint, Washington, D. C., Dec. 13, 1899.

Sir:—As requested by you, I append herewith a statement of the coinage of fractional silver (excluding three-cent pieces) from 1792 to June 1, 1853, and the coinage of silver dollars from 1792 to Feb. 12, 1873.

Coinage of fractional silver—1792 to June 1, 1853:

Half dollars	$66,492,644.50
Quarter dollars	4,606,595.50

Dimes	4,016,731.10
Half dimes	1,899,377.40
Total	$77,015,348.50
Silver dollars, 1792 to Feb. 12, 1873	8,031,238.00
	$85,046,586.50

Respectfully, GEO. E. ROBERTS,
Director of the Mint.

Hon. J. W. Gaines, House of Representatives.

In explanation of this valuable table, we may note that our three-cent pieces were then a legal tender only up to thirty cents, and they were made of debased, not standard coin metal. Their coinage was established March 3, 1851, and discontinued March 3, 1855. It should also be noted, that all this large amount of silver coin, over 85 million dollars' worth, was always absolutely on a par, as a debt-payer, with our gold coin down to 1873. It more fully exposes the half-truth, so often uttered by men of high standing and reputation for veracity, that all the silver dollars ever coined by our government down to 1873, amounted to only a little over eight millions. They generally, and most shamefully, suppressed the whole truth that during this period the value of our absolutely full legal tender silver coins amounted to over 85 million dollars! They also often suppressed the fact that we legally used a great many million dollars' worth of foreign silver coins as a legel tender. The act of Feb. 12, 1873, did not go into effect until April 1, 1873, but perhaps but few silver dollars were coined in those sixteen days of grace.

THE WORLD'S PRODUCTION OF GOLD AND SILVER DURING THE CENTURY AND ITS TREATMENT.

CONGRESSMAN BROSIUS, CHAIRMAN OF THE COMMITTEE ON BANKING AND CURRENCY, AS AN ORATOR.

On March 13, 1900, before the final vote was cast on the gold standard bill in the House of Representatives, an elaborate address was delivered by Hon. Marriott Brosius, of Lancaster Co., Pa., in defense of this iniquitious legislation. This speech was an eloquent, patriotic appeal, backed up by an apparently carefully collated series of financial statistics, in order to more fully justify his fellow victims of a delusion or conspirators to stand firm in this last charge against honesty, justice and fair play. Mr. Brosius is a gentlemen of excellent reputation, and of marked ability, and is specially gifted as a fluent debator and orator. The passage of the bill was assured, and it is not supposed that a single vote was changed on either side by this speech, but it will probably have a wide circulation as a campaign document. It is a most plausible presentation of the issue, appealing to the patriotism of the people.

The chief burden of his argument seems to hang on two positions, both of which are logically and historically untenable. The first position is, that the fall in the price of silver was caused by the over-production of silver, when compared to the production of gold. The second is, that our government has done its full duty to silver as money, and if silver has fallen in price since 1873, the government of the United States is not in the least responsible.

Let us first examine the over-production theory of silver by the light of carefully collated government statistics, arranged in systematic order so that the reader can almost see at a glance the relative production of silver and gold in the world for the past ninety-nine years. The table from which this abstract is made can be found on pg. 195, U. S. Mint Report of 1897, to

which is added the data for the three years, 1896-97-98, from pg. 273 of the Mint Report of 1899. These estimates of value are based on the U. S. coinage ratio of 1 to 16, and they are expressed in percentages. We follow the mint statistician in grouping the first five groups in ten year periods, the next seven groups in five year periods, and the final thirteen, in single years.

A table showing the relative annual value, for each year or group, of the production of gold and silver in the world from 1801 to 1898, expressed in percentage at the U. S. coinage ratio.

Calendar Years.	Gold.	Silver.
1801-1810	24.1	75.9
1811-1820	25.3	74.7
1821-1830	33.0	67.0
1831-1840	35.2	64.8
1841-1850	52.9	47.1
1851-1855	78.3	21.7
1856-1860	78.1	21.9
1861-1865	72.9	27.1
1866-1870	70.0	30.0
1871-1875	58.5	41.5
1876-1880	53.0	47.0
1881-1885	45.5	54.5
1886	46.8	53.2
1887	45.9	54.1
1888	43.9	56.1
1889	44.3	55.7
1890	42.1	57.9
1891	42.4	57.6
1892	42.5	57.5
1893	42.4	57.6
1894	46.3	53.7
1895	47.7	52.3

1896	49.9	50.1
1897	52.9	47.1
1898	57.3	42.7

A reference to this table actually leaves no necessity for argument against the false assumption, that silver has fallen on account of its over-production when compared with gold. Facts cannot be overcome by oratory! We can listen to a pleasing orator with more ease, than study unquestioned facts contained in this statement. Please look at the top of the table and notice that during the first forty years (1801 to 1840) of this century, our production of silver was nearly three times greater than of gold. Then note the next ten years (1841 to 1850), the gold was a little in excess of silver, but on coming down the column you will see that for the next twenty years (1851 to 1870) we produced almost three times as much gold as silver, actually reversing the conditions of the first forty years of this century.

Then, if we recall a little history, and bear in mind that in 1871, the rumbling in the financial world against the use of silver as a full legal tender money fairly commenced, we may run our eye down the column and reach the conclusion that the world's annual production of these metals was approximately equal from 1871 to 1898! As a matter of fact, you can turn to the U. S. Mint Report of 1899, pg. 53, and find by an official table that the world's production of gold from 1871 to 1898, including both years, was $3,685,837,800, while for silver it was $3,758,803,700. Please note with special care these twenty-eight years cover the period in which we have had all of our trouble caused by a large discrepancy between the exchangeable value of gold and silver bullion; yet, the production of silver at our existing coinage ratio, during this period exceeded gold by less than two per cent, or in amount, $72,965,900!

Now think of the inconsistency of a scholarly gentleman, by the use of a jumbled mass of statistics, trying to show that the over-production of silver since 1871, which as you see has been less than two per cent, is the cause of the fall in the price of silver compared with gold since 1873!

On pg. 172 Mint Report of 1899, we find a tabulated statement giving the amount of the world's production of silver and gold from 1801 to 1850, the first fifty years of this century, as $1,360,237,000 for silver, and $787,463,000 for gold; this shows an over-production of silver during that period of $572,774,000, or more than seventy-two per cent!

The world's production of gold during the ninety-nine years of this century has been about 900 million dollars greater than silver or if expressed in percentage the production of gold has exceeded silver by about fourteen per cent. As we have seen, this gain in the production of gold was all made in the last half of this period.

Now, please bear in mind as a striking fact, that there was no appreciable trouble between the bullion value of our gold and silver, at our usual coinage ratio, during the period when we had a seventy-two per cent over-production of silver, but when we come down to the period of 1871 to 1898, twenty-eight years including both, with an over-production of silver of less than two per cent, we find honest, intelligent men, staking their honor, as gentlemen and statesmen, on the statement, that the cause of the fall in the price of silver is not adverse legislation, but it is on account of its over-production! Could not any bright schoolboy, with these official statements before him, with the help of a slate and pencil, show that this over-production theory is a myth?

Let us repeat, we had 100 cents of gold, to 172 cents of silver produced in the first fifty years of this century, and 100 cents in gold to 102 cents in silver pro-

duced in the last twenty-eight years, and yet we find thousands of persons shrieking like parrots: "Silver has fallen in price on account of its over-production when compared with gold!"

The annual production of both gold and silver has always been irregular, but particularly so since the commencement of this century. Statistics extending back of a hundred years are not as reliable as those collected in the present century, and it seems better to base our conclusion on modern statements rather than going back too far in the misty past.

For the first seventy-two years of this century the mints of the leading nations of the world have generally been open to the free coinage of both metals, at a coinage ratio approximately equal to ours, and we strongly contend that this constant demand, for that particular metal produced temporarily in greater abundance, for coining into full legal tender money nullified the tendency towards a heavy drop in the exchangeable value of this more abundant metal.

This brings us to the consideration of the false claim Mr. Brosius makes, and which has been made over and over again, that we have done everything that could be done for silver, yet our efforts have all been failures. Mr. Brosius says: "With a knowledge of the facts you cannot fail to believe with me that our country is free from delinquency on this score and has fairly earned all the credit the world gives her for her heroic efforts to sustain silver as a money metal."

What perfect rubbish a statement like this appears to be to us, who know that our government from 1792 until 1873, always allowed the free coinage of silver on a perfect equality with gold as full legal tender money. This fair treatment of silver has never been restored! On February 12, 1873, we stopped the coinage of our standard silver dollars, and on the passage of the U. S. Revised Statutes, Sec. 3586, June 22, 1874, we declared

the silver coins of the United States could be used as a legal tender only to the amount of five dollars in each payment, and in our bungling attempt in 1878 to restore the standard silver dollar coinage, we denied the free access of silver to the mints and permitted any Shylock who saw fit to discard silver, at his will, by contract as a debt payer. And even when the contract was clearly expressed to be settled in "coin," our financial officials reversed the universal custom, established by common sense and usage during the entire existence of the government, in paying debts in that coin most convenient; they bowed on their knees before our imperious creditors and humbly inquired of them, what kind of coin do you choose?

They even went so far, in times of profound peace, by straining the meaning of an old financial law, and sold bonds for gold in order, as they alleged, to save our nation from the financial disgrace of paying her debts in "coin" as the contract distinctly demanded.

The change of the word "coin" used in regard to the redemption, of our bonds, our greenbacks and our treasury notes, into the term "gold coin" in our new law strongly confirms our position that "coin" did not mean "gold" only, nor "silver" only, but either one at the option of the government.

This unfair construction of the law formerly depended on the whims of our financial officials, but now, greatly to the satisfaction of the gold advocates, for many purposes, it has the validity of statute law.

Previous to 1873, the United States coined 85,046,566 dollars worth of silver coin, absolutely on a par with our gold coins as unlimited legal debt payers. These coins were all money—real money! We like that clear-cut definition of money given by Lord Aldenham before the India Currency Committee on March 13, 1899: "UNLIMITED LEGAL TENDER MAKES IT MONEY; LIMITED LEGAL TENDER MAKES IT

A SUBSTITUTE FOR MONEY." Perhaps, on such a question we can call upon no one of higher authority than this distinguished ex-governor of the Bank of England. This, unmistakably, was the condition of every silver dollar coined since 1878! They are not money, but only substitutes for money; because it was permitted by law, to limit the legal tender power of the silver dollar by contract at the option of anyone. These dollars were not coined under that comprehensive phrase of the law of 1792, which said of all the full weight silver coins then proposed to be made: "They shall be a lawful tender in all payments whatsoever." However, under the law of 1878 our silver dollars were a legal tender for all coin debts, but most unfortunately our government has uniformly repudiated this option at the demand of the creditor! The demand for silver bullion to coin into absolutely full legal tender money ceased in the United States in 1873. As gold and silver obtain the principal part of their exchangeable value, simply on account of their universal demand for coinage, if the demand is closed for the coinage of full legal money, and kept open for the coinage of a substitute for money, the value of silver of course will decrease. This fact should be obvious after a very little reflection.

If the demand for silver for coinage into any sort of money ceased, is it not certain that the exchangeable value of silver would probably drop to only a fraction of its present value? Hence, notwithstanding the array of statistics presented to us by Mr. Brosius concerning the immense coinage of silver into substitutes for money, both here and in foreign countries since 1873, we contend that its disuse for coining into full legal tender money accounts to a very large extent for the tremendous fall in the price of silver. Statistics show us most conclusively that silver has not been over produced.

Instead of lauding our conduct for the heroic treatment of one of our great products, we condemn it as pre-eminently unwise, unstatesmanlike and unjust. By this treatment of silver we have unfairly increased the burdens of all debts, we have perniciously lowered prices, we have brought bankruptcy and ruin on countless thousands of our own people, and distress among millions of people in other parts of the world. Our nation has been the great leader, whose example has been followed by many others. As one of the greatest debtor nations of the world, we have been cutting down the value of all of our own products, excepting gold, which we are exporting to pay our debts, and we have thus enormously increased the burden of our foreign indebtedness which must be paid for and measured by the exchangeable value of our products.

Mr. Brosius sees ahead and gives warning when he says: "An appeal is pending." "In 1900 a re-trial will occur, and the court of last resort in our political system, the people themselves in their sovereign capacity, will review their former decision, affirming or reversing it as in their patriotic judgment the honor and interest of their country demands." Let us prepare for this re-trial!

We sincerely hope the people may ask in whose interest was this legislation? The Republican platform asked that the standard should remain as it was, until we could get the consent of other nations to change it. The allied army making up the Democratic party were outspoken against the gold standard. On that issue the Republican party have carried out the platform of a national party, insignificant in numbers, who had courage enough to openly ask for what they wanted, and the Republican party has shamefully complied with their request.

Mr. Brosius is a lawyer, and should he turn to the financial law of February 1, 1853, which he misunderstands, he will see that he has committed an almost in-

excusable blunder for one who sets himself up as a leader, on an issue which he eloquently says: "No mightier issue ever appealed to human judgment." There is not a word in that law that takes away the unlimited legal tender, as he claimed, of the fractional silver coins of full weight made previous to 1853! This law, after providing for the decreased weight of these new fractional silver coins, very properly enacts "that the silver coins issued in conformity with the above section, shall be legal tenders in payment of debts, for all sums not exceeding five dollars." Any of the $85,000,000 worth of silver coins made before 1873, that remained in existence, got their quietus as full legal tenders not in 1853, and not in 1873, but by the passage of the Revised Statutes on June 22, 1874!

It requires some patience for some of us to listen to gentlemen who so thoroughly blunder in the statement of facts shown so clearly by reliable statistics to be erroneous, or by misconception of the true history of the coinage of his own country, or a neglect in grasping the meaning of such an important law as that of 1853. He has the audacity to question us as to our honesty, or if honest, to question our sanity! Many of us claim to have studied this question for a longer time, and with much more care and patience as to the facts than he gives us reason to suspect has been in his case.

He does not seem to be quite satisfied with his own conclusions on this question, but calls to his assistance the evidence of Dr. W. Lexis of the University of Gottingen, and vouches for "the soundness of his reasoning and the validity of his conclusions." Now, what do you suppose this learned doctor tells us? He says: "There was no real demonetization of silver in the United States before November 1, 1893." One assertion of that kind should settle our minds as to the merits of the man who would make such a statement, as well as of his endorser. If they do not have facts, such persons can

easily invent them to suit the occasion. Remember Mr. Brosius claims, as he says, to be working "in the interest of historic truth."

On account of the prodigious increase in the production and coinage of gold, in recent years, and the multiplication of credit facilities to supersede the use of coin, Mr. Brosius thinks there could not have been any considerable appreciation in the exchangeable value of gold. Certainly he dare not deny our assumption, that should the world, led by the United States, have not closed their mints to the coinage of full legal tender silver on terms equal with gold, there would not have been the well-known world-wide shrinkage in prices to any such an extent as now exists. The business of the world has increased by leaps and bounds, closely following the increase in the world's productions of the precious metals and the improved use of credit devices.

When we come to look into the true inwardness of this new gold standard law, we find the gold standard seems to be used simply as a stepping stone to make provisions to finally get rid of all silver and credit money controlled by the government, and substitute for them the credit money controlled by corporations, our national banks. Disguise the fact as you may see fit, this is a special law for the benefit of national banks!

In a previous speech December 15, 1899, Mr. Brosius informed Congress that the district he represented, Lancaster county, Pa., contained about 150,000 people, and about 9,000 farms, supplied with 26 national banks with a capital of $3,650,000. By the new law these national banks of Lancaster county, whenever they see fit can use their capital to buy bonds and draw from the government $365,000 additional bank notes at a trifling additional expense! This is not a very great sum, but it would pay the official salary of their congressman, who in this instance was their special pleader, for the next seventy-three years!

This new law is not specific as to the benefits coming to the people who cultivate these 9,000 farms in Lancaster county. Many of these people are owners of national bank stock, and can easily calculate their share of the proceeds, but the remainder of the farmers can wait and keep guessing as to their share of the profits. There is no trouble to learn the sentiments of the Lancaster county farmers as to the heavy decrease in the average value of their farms, measured in gold since 1873. They have made bitter complaints. The records of the profits of the national bankers of that district since 1873, are well known to the farmers. There is a decided contrast in favor of the profits in banking, versus farming, in Lancaster county; which is one of the garden spots of the agricultural world, farmed with great care and special skill.

THE RANGE OF GENERAL PRICES IN A LONG PERIOD OF YEARS.

SAUERBECK'S TABLE OF PRICES

The study of the general range of prices for a series of years is attended with great difficulty when we endeavor to determine with precision the cause or causes of the fluctuations. The opinions of the most expert on this scientific investigation, will often largely vary, while the less expert are often left in doubt as to the most plausible causes.

In a book called the "Mechanism of Exchange," written in 1875, by that very eminent British financial authority, Professor W. Stanley Jevons, in discussing the range of prices (Chapter 25) he says, that from 1789 to 1809 the value of gold, measured by average prices in Great Britain, fell from 100 to 54, or 46 per cent, while from 1809 to 1849 the value of gold measured by average prices rose at the ratio of 100 to 245, or 145 per cent. In the first period those who had money or evidences of debts, that could be collected, at their command were deprived of 46 per cent of their power as pur-

chasers of commodities. In the second period they had this purchasing power increased almost two and a half times, or as he expressed it, "rendering government annuities and all fixed payments extending over this period almost two and a half times as valuable as they were in 1809." We may add that Jevons speaks of gold only, but it is well known that during these periods extending from 1789 to 1849, gold and silver at the usual coinage ratio, were approximately at par both in London, and across the British channel on the European continent. The reader may perchance ask was it the exchangeable value of money that did all this violent fluctuating, independent of the ease of production and transportation of commodities, or did these commodities independently make all the changes in their value? We reply, that without doubt these fluctuations were mutual, and no one is able to draw a mathematical line and say with precision how much was due to the scarcity of gold and silver, and how much was due to the ease of production and transporting the products of labor. The principal cause of these great changes after 1809, was, as taught by Jevons, in the scarcity of silver and gold brought about by international wars and revolutions, as the precious metals were getting very scarce until California opened up her hidden treasure of gold in 1848-49.

But now let us investigate more recent history. There was one prime cause for a general fall in average prices, that commenced to be active about 1873-74, that everyone refers to with emphasis, who believes in the use of gold and silver as absolutely full legal tender money, or as fit monetary agents to use in making exchanges for services, or commodities, and for paying debts. There are various statistical tables giving these important facts, as to the range of average prices, prepared by careful, reliable men, who are supposed not to doctor the facts for political purposes, but give them to us in a truthful, scientific manner.

The Royal Statistical Society of London was founded in 1834, for the special purpose of making a scientific study of the facts bearing on statistics. For many years Mr. Augustus Sauerbeck, a well-known wool merchant of London, has been making a record of the average prices of forty-five of the principal articles of commerce at London. This celebrated Sauerbeck price table is regularly published in the quarterly magazine issued by the Royal Statistical Society. It is widely circulated and extensively quoted, as an honest, reliable table, by the leading economic thinkers and statesmen of the world. In the monthly summary of the U. S. Bureau of Statistics, for May, 1900, page 3129, you will find an exceedingly valuable chapter on this subject. But for very busy persons who will not take time to study this elaborate table in full, we have prepared a synopsis, giving at a single glance the final summing up of these facts. As London is the greatest commercial center to which the commercial and financial affairs of the entire world seem to come to a head, as a settling point, hence, we esteem a table of London prices as particularly valuable to all conscientious students on the rise and fall of average prices. London prices are not our prices, yet the prices of a large number of our commodities are practically settled in London, not here. This table is like a finger touch on the fluttering pulse of the commercial world for the past fifty-four years. As the exchangeable value of gold and silver all over the world was approximately on a par, at our coinage ratio, down to 1873, then down to that time these London prices were jointly measured by these two agents of valuation. However, as silver commenced its heavy decline in 1873, and gold was the sole legal tender coin of London, then gold became the gauge by which these prices are recorded after 1873. No one claims that this table is a mathematically accurate statement of the prices of the selected articles. All that is claimed for it is a close approximation. This table includes forty-five of the leading articles of commerce, such as the cereals, meats, sugar, tea, coffee, mineral and textile goods and some other commodities. It does not include land, houses, ships, railroads and many other kinds of property, but it is logically assumed that the average prices of these selected articles, to a large extent, govern the price of these other unnamed articles.

For simple comparison, Mr. Sauerbeck has used 100 as his index number, and has so arranged the table that when we add up the various numbers it gives the average price as 100, for the 25 year period including the years 1853-1877. Please note this period includes, in part, the years when the world first felt the beneficial influence of the great production of gold in California and Australia, as well as the years when the world first commenced to feel the baneful influence of discarding silver as full legal tender money.

He also gives another but shorter period as a gauge: that is the period of 11 years, including 1867-1877. In the annexed condensed table we have purposely arranged this period in the middle column with 1873 marked in heavy type. This year marks the date of the most momentous monetary revolution of modern times! To this date we propose to refer with particular emphasis. We do not think that any honest, logical advocate for the use of gold as our sole agent of valuation, will contend that if the leading nations of the world had continued to use both gold and silver, absolutely on a par in settling all coin obligations, and had kept their mints open to the free coinage of these metals that the average price of these forty-five leading articles would not have been far above the record shown in this statement. If this is frankly admitted, and we see no possibility of a fair denial, we hold that the great mass of working people in the world would then have had to pay more money for all the necessities of life bought by them for

their own use, but they in turn, would have received better wages and a higher price for all the products of their labor, and would then have been in a better condition to save money after paying all their fixed charges, such as taxes, interest and particularly debts of long standing. This world-wide fall in prices which has been brought about by the appreciation in the exchangeable value of gold, on account of the preference shown to it as the only metal fit to be coined into full legal tender money, would have been avoided. We contend that the world-wide fall in prices caused by this legal preference for gold has been particularly pernicious to the mass of mankind, but was pre-eminently favorable to a select few who had possession or control of the money or evidences of collectable debts, but were not the active producers of products. We admit that since 1873, we would probably have had a fall in the price of these commodities, on account of the increased ease of production and transportation, brought about by the wonderful progress of the age in the sciences and the arts, which has been decidedly beneficial to the large mass of mankind. This has done them no harm, as they could produce more commodities, and have them transported to the markets with less exertion and expense than formerly. The rich drone and the poorest and most active working man could obtain these better and cheaper commodities on an exact equality! They cost the drone less, but cost less to the producer. Thus, if prices had been measured since 1873, by gold and silver used jointly, on a perfect equality as to coinage and legal tender power, we would probably have had a fall in general prices, but it would not have been so unfair and pernicious.

The invention of Bessemer steel has been of untold benefit to the human race. It has wonderfully cheapened the cost of railroad and ship building, and other constructions, and has thus cheapened the cost of transportation as well as of manufacturing. Its use, in a

thousand different industries has revolutionized the iron business of the world. The modern use of electricity for the production of light, and transmission of energy has been another great factor in human progress tending most beneficially towards producing many commodities at lower prices, and towards ease of transportation. We need not enumerate the wonderful progress made in utilizing coal, in cheapening the development of energy by the use of triple and quadruple expansion steam engines, driven at a higher pressure and at a greater speed. The scientific and mechanical genius, of tens of thousands of ambitious and highly skilled men, is constantly adding to the wealth and ability of mankind in making physical labor go farther in the production of commodities by continually decreasing the amount of necessary labor. Even in the cheaper production of gold and silver, this has been a very important factor.

Let us not forget, however, that the world made some prodigious steps ahead in scientific and mechanical progress previous to 1873. Men had both brains and hands, and knew how to use them well, before the world commenced to think the exchangeable value of gold was stable enough to financially shackle the world.

We do not complain of the fall in average prices brought about by these improved methods of construction and transportation, but what we do most bitterly complain about is the attempted alteration in the method of measuring these changes in terms of money. The debts of the world, which in the aggregate are perfectly enormous, have largely been contracted and based on being paid in gold and silver, to be used on a perfect equality as to coinage and full legal tender power. This attempted change, to gold alone, is a grossly immoral breach of contract!

The monetary revolution of 1873, was an attempt to discard this privilege, or this legal right of the debtor, and the legislation of March 14, 1900, is based on the

urther discarding of silver. The legislation of 1873. was a monstrous piece of injustice, but many of those most prominent in enacting that financial law of 1873, afterward stood up in their places in Congress and frankly acknowledged their ignorance and neglect, and did something in 1878, which they thought would be effective to relieve us of the mischief. We know their work was rather badly done in 1878. But here we have another set of men in Congress, many of them backed up by misapprehensions and others by greed, who ignore the experience of their predecessors of 1873-78, and have enacted a law which is absolutely far worse than the law of 1873!

To those who are willing to give but little special attention to the range of average prices for a long series of years, we know of nothing that can give more information with less study than this Sauerbeck table of prices, of which we annex the following condensed abstract.

Year.	Price.	Year.	Price.	Year.	Price.
1846	89	1867	100	1878	87
1847	95	1868	99	1879	83
1848	78	1869	98	1880	88
1849	74	1870	96	1881	85
1850	77	1871	100	1882	84
1851	75	1872	109	1883	82
1852	78	**1873**	**111**	1884	76
1853	95	1874	102	1885	72
1854	102	1875	96	1886	69
1855	101	1876	95	1887	68
1856	101	1877	94	1888	70
1857	105			1889	72
1858	91	Average for these eleven		1890	72
1859	94	years is 100.		1891	72
1860	99			1892	68
1861	98			1893	68

1862	101	1894	63
1863	103	1895	62
1864	105	1896	61
1865	101	1897	62
1866	102	1898	64
		1899	68

Please note the year 1873, which records the average price at 111, and compare it with 1896 at 61! This is a fall of fifty points, or of over forty-five per cent. When the price of commodities falls forty-five per cent this does not mean, as is so often carelessly said, that the purchasing power of money has increased only forty-five per cent. The fact is, as may be seen by the use of a little common arithmetic, that the purchasing power of money, in this case, has advanced nearly eighty-two per cent; that is, on a fall of the price of goods of 45 per cent the owner of money gains an advantage over the producer of commodities of nearly 82 per cent. This is a little percentage puzzle that should be clearly grasped by everyone who contends against the pernicious fall in prices, hence, please pardon a little reference to simple arithmetic. If there is a fall of 45 per cent, then the new price will be 55 per cent of one dollar. Let the old price be one hundred cents and the new price fifty-five cents; then we have the proportion as follows: As the new price, 55 cents, is to the old price 100 cents, so is the former purchasing power of 100 cents, to its new purchasing power 181 plus cents. This is equivalent to an increase in the purchasing power of the dollar, from the lowest to the highest point in this period; or expressed in percentage of nearly 82 per cent!

But it should be noted that the world has recently been increasing the annual output of gold, and it bids fair to still increase. The rapidly increasing business of the world can utilize all the gold and silver produced.

This increase in the production of gold has had a world-wide, beneficial influence in causing a general rise in prices, and we find that the London index number of prices represented by 61, in 1896, has risen to 68 in 1899; which is an advance of 11.5 per cent. But our vicious financial legislation of March 14, 1900, will have a tendency to nullify the beneficial effect of the increased production of gold by making an extra demand for this gold. The production of gold, according to a recent statement of our Mint Director, for the year 1899, was $315,000,000; almost double the production of 1893, only five years earlier!

When we use the price index, and compare the purchasing power of gold in 1873, with its purchasing power now, we get the following equation. As the new price 68, of 1899, is to the old price 111, of 1873, so is the purchasing power of one hundred cents under the new price, to its purchasing power under the old price 163 plus. Expressed in another way, this means that under the prices ruling at London in 1873 for these forty-five leading articles, that it would require 163 cents at that time to purchase the same quantity of these articles, which in 1899 could be purchased with a hundred cents! Now we do not go so far as to claim that all of this 63 per cent of an increase in the purchasing power of money is solely to the advantage of the more fortunate class who may happen to have the largest command of money, and is against the interests of the producers of these commodities now sold at these lower prices. We admit that commodities are produced with more ease, and transported to market at a less expense than formerly. Hence, as far as this affects the condition of the producer he is at no special loss on account of the change in price. The claim we make most emphatically, however, is this, by the discarding of silver we have given prices a fall, and that special part of this fall caused by

this discarding of silver is pernicious to the welfare of the mass of mankind, and has been unfair and unjust. It is on account of the restoration of this part of falling prices that we so strongly contend for the restoration of silver to its old place, absolutely on a par as a full legal tender with gold. This should arouse the attention of every intelligent working man, and in fact every honest and fair-minded person, even if he is a drone benefited by this unjust increase in the purchasing power of the money at his command. We all should unite in a strenuous protest against the infamy of the adoption and maintenance of the exclusive gold standard. Greed should not be allowed to smother justice!

We might show about the same approximate results in the fall in the average range of United States prices by elaborate price tables prepared by our own citizens, yet in this case we have preferred to use the London Sauerbeck table, as prices have been effected more violently in our country by the change from the depreciated greenback prices, our civil war, and our varying tariff legislation since 1846. London is a much more powerful and steady commercial center than any part of the United States.

Without reference to these tables we see an alarmingly rapid absorption in recent years of so much of the property of the United States into the hands of a select few, while we know that there are countless thousands of strong, healthy, intelligent and skillful American born men who are unable year after year to earn a dollar a day in addition to their food by their utmost efforts. This condition should make us realize that there is something radically wrong in the system of the distribution of wealth in this, the best and richest country in the world for the poor man. If our currency system was perfect it would not cure all of our troubles, but a just currency system is indispensable to our national welfare. The one we have just obtained by legis-

lation is particularly obnoxious. It is not sound, and will not be stable, and is very far from being honest.

THE EXPORTS AND IMPORTS OF THE UNITED STATES.

Much can be learned from a careful study of the exports from, and imports to the United States.

Our exports and imports for the calendar year 1899.

Exports of merchandise	$1,227,023,302
Imports of merchandise	697,148,489
Excess of exports over imports of mdse..	$ 529,874,813
Exports of silver, in ore, bullion and coin.	$ 56,319,055
Imports of silver, in ore, bullion and coin.	30,675,056
Excess of exports over imports of silver.	$ 25,643,999
Imports of gold, in ore, bullion and coin.	$ 88,954,603
Exports of gold, in ore, bullion and coin.	37,522,086
Excess of imports over exports of gold..	$ 51,432,517

A restatement of our total excess of exports over imports, including common merchandise, gold and silver.

Excess of exports of common mdse.....	$ 529,874,813
Excess of exports of silver.....	25,643,999
Excess of these exports over imports....	$ 555,518,812
Deducting the excess of gold imports over exports	51,432,517
Excess of all exports over imports.....	$ 504,086,295

In estimating what is called the annual balance of trade of the foreign commerce of the United States, it

is usual to give the merchandise only, as is shown in the first three lines of this table, but in consideration of the fact that when either gold or silver, coined or uncoined, leaves the shelter of the United States flag, that emblem of our power as a nation, our coins are no longer money, but become mere merchandise, and they are put in the scale or subjected to chemical analysis as merchandise. It is virtually all trade. Therefore, in making a full statement of our foreign commerce, as far as our officially recorded statistics give them to us, it is well to make an exhibit of the three classes of goods (merchandise, gold and silver) in order to show our real balance of trade. This real balance of trade for the calendar year 1899 is as you see by this statement $504,086,295.

The estimate of our annual foreign commerce most generally seen published is made out for the United States fiscal, or business year, which since September 30, 1843, has ended on June 30, of each year. But please note that in this table we have given the figures for the calendar year of 1899. For verification see U. S. Monthly Summary, Bureau of Statistics, of February, 1900, pg. 2472. It may be well to note, that the value of merchandise is always estimated at the place of export.

In this table we have made precise statements, but for convenience let us now use round numbers. You may note that our entire foreign commerce, for the year as officially recorded, amounts to the enormous sum of nearly 2,138 million dollars. We have exported nearly 530 million dollars worth of common merchandise in excess of our imports of merchandise. We have exported nearly 26 million dollars worth of silver in excess of our imports of silver. We have received over 51 million dollars more gold than we have exported. Then making a grand summary we see we have exported about 504 million dollars worth of the three classes of

goods, more than we have received; thus by our trade balance as shown by our national bookkeeping, our foreign customers would owe us $504,086,295 to square up this year's account. It is interesting to note that the trade balance for the calendar year 1898 gave about the same result $503,250,079.

If we had no debts or no expenses to meet abroad, we would expect that this immense amount of money would be laid away to our credit in foreign countries, and that our friends abroad were making preparations for boxing up the gold and silver, and negotiating with steamship companies for sending this balance of trade to the United States in order to square our account.

But here we encounter a difficulty which no officially recorded statistics collected by the government can solve for us. For many years our foreign friends have been making large investments in national, state and corporation loans, also in lands and other real estate, railroads and manufacturing industries, involving several thousand million dollars. It was their own money, fairly invested here by our own invitation, and as the interests or dividends are earned, as honorable men we should not and do not covet their payment. The payment of these debts and dividends takes a handsome slice out of the 504 million dollars due us.

It would be a very desirable piece of information for the government to have, if we could be able to find out just what our foreign indebtedness was. Perhaps some day an extra wise statesman, in this era of more complete statistics, may devise some official legal method of making a compulsory record to the treasury department of all transfers of evidences of debt sent abroad. This is demanded in the exports of merchandise and why should it not for evidences of debt?

The sum we owe to foreigners is sometimes put as high as $5,000,000,000, but the writer of this article makes no claim to any precise information on this problem. However, assuming this to be the amount at four per cent in interest or dividends, it would cut out $200,000,000 of our favorable balance of trade.

A large number of our people annually go abroad for business or pleasure, so here we can make another guess where $75,000,000 or more of our favorable balance of trade is used up. It is well known that travelers do not usually load their purses with our money, but take foreign bills of exchange with them to defray their expenses.

In 1859, the value of our exports and imports carried to and from foreign countries in American ships was nearly sixty-seven per cent but for various causes which we need not discuss here, the uncomfortable fact stares us in the face, as stated in the United States Statistical Abstract of 1899, pg. 454, that in 1899 American vessels carried less than nine (8.9) per cent of our foreign commerce! As we must pay foreign ship owners for this labor they perform for us, and give them a reasonable profit for being wise enough to tear away from this progressive nation the privilege of carrying such an immense proportion of our foreign commerce, we can realize that perhaps one hundred million dollars would be a low estimate for the money due them for this freighting business. The American passengers, carried by the magnificent lines of foreign vessels, will add another nice sum to our indebtedness to foreigners. In these three items alone we can see, if we depend largely upon guess work, as we have no official figures to offer you, that approximately 400 million dollars worth of our excess of goods sent abroad might be absorbed in liquidating these claims on our wealth each year. This would leave about $100,000,000 remaining to our credit which might be placed to our credit or used to liquidate bonds or stocks, which could be put in a traveling bag or returned to us by mail, and we, as a nation, would know nothing about it officially.

It is well for us to do the best we can in trying to analyze the figures of the foreign trade even for a single year, so as to enable us to look back with a better understanding of this trade for a series of years. It is said by the highest authority "that the borrower is servant to the lender." Hence, this growing excess of the balance of trade in our favor may encourage us to hope that we are slowly emerging from this position of servitude to foreign nations, and that as a people we may possibly be getting ourselves out of the European pawn shops.

We do not agree with some who, in discussing this question, say that money spent in paying honest debts abroad, or in foreign travel or for paying for freight and passengers carried by foreign steamships is money thrown away. The worst we will say of it is that a great part of this money is expended unwisely. We should try to exercise more common sense and get out of debt, and when we spend money in foreign travel we should spend it wisely, and above all things, we should do some clear thinking, so that by really wise statesmanship we could regain our fair share of the carrying trade on the high seas.

The preliminary figures for the exports and imports for the fiscal year ending June 30, 1900, corrected to July 14, are given by the Bureau of Statistics as follows:

The excess of exports over imports in common merchandise	$544,764,885
The excess of gold exports over imports	5,436,772
The excess of silver exports over imports	21,475,578
The total balance of trade in our favor	$571,677,235

This statement shows that we have sent abroad in this fiscal year $571,677,235 worth of merchandise, gold and silver more than our official book accounts show that we have received. Our total trade in merchandise,

was $2,444,193,543; the largest in the history of our nation. This simply shows the prodigious capacity of the United States to produce commodities demanded by other nations, as well as our ability to consume the products of other nations. The problem for us to solve is did we get a fair price placed to our credit for the merchandise, and silver used for the year's trade? We contend that this sum would have been approximately one-fourth larger measured by gold had we as a nation treated silver fairly.

In the Monthly Summary, of the Bureau of Statistics, for February, 1899, we find one of the most condensed, and valuable commercial histories of the foreign commerce of the United States ever put in type on a single page. It is a table showing the value of the imports into and exports from the United States from October 1, 1789, to June 30, 1898. It gives the value of the merchandise and specie separately, and then combines them into one sum showing the real balance of trade for each year during this entire period. It is well worthy of considerable earnest study, and we should be glad to see a copy of this table in the hands of every student of economics in our country.

One of the most striking characteristics of this table is that since 1873, we have had, with the exception of only two years, a heavy balance of trade in our favor. We are accustomed to say that a balance of trade is in our favor when we sell more than we buy, while the British say they are getting richer as a nation by buying far more than they sell! This may be explained by remembering that the United States is heavily in debt, and we must export heavily in order to meet this indebtedness, while the world is very heavily in debt to Great Britain and she can afford to buy more than she sells. A question like this depends on one's standpoint! Poverty stricken Ireland and Egypt always have a balance of trade in their favor!

On April 24, 1900, Senator M. A. Hanna seemed to have made a good hit, judging by the reported applause given him by his audience, when he referred to this condensed history of the foreign commerce of the United States in an address to the Ohio Republican Convention, at Columbus. He said:

"Your chairman made some statements with reference to the growth of our export trade. Why! He did not state half of it. The balance of net trade in favor of the United States during the last century preceding this administration amounted to $311,000,000. In 100 years that was the net balance to the credit of the United States in our trade with the world. In three years of the administration of President William McKinley, the net balance as shown by the books of the United States treasury is $1,400,000,000. [Great applause and cries of 'Good!'] It is $1,100,000,000 more accomplished (in those three years than had been accomplished) in 100 years preceding. [More cheering.] And then, looking into the face of such results, I repeat your chairman's words, 'Do we want to change?' Do we want any different business combinations for us? Do we want any different policy for the American people than that which is building up and making us the greatest, the richest and the strongest nation on earth? The laws of commerce, regulated by the best economic measures, are as infallible as the laws of nature. We have proved to this country and to the world that our policy of economics is irresistible and must succeed, and in the few years of trial that we have had under this administration we have proved that, in the ratio of progress every year, looking ahead to our enormous wealth and gain, we shall be made stronger and be given far better and wider opportunities to do good in the march of Christianization and civilization of the world."

By reference to this admirable and exhaustive table

published officially, by the Bureau of Statistics, it may be seen that Mr. Hanna has not made the statement as striking as it appears in the official record. He may have been a little careless in his figures, as he certainly often is in the statement of other facts. We suppose he has not taken the fiscal year estimates but has used the first three years of Mr. McKinley's administration.

However, should we refer to the table and use the fiscal years we find the net balance of trade, that is the trade in merchandise only, for the century commencing September 30, 1796, ending June 30, 1896, is only $4,358,665 in our favor. By the official report for the three fiscal years 1897-98 and 99, ending June 30, 1899, the balance of trade in our favor, in mere merchandise, amounts to the enormous sum of $1,432,061,857. This is an exhibit showing to an astonishing degree the ability of our great nation in supplying the needs of other nations. Should we do, as has been suggested in the first pages of this article, not count the merchandise only, but include the gold and silver exported and imported also as merchandise, we still find that the real balance of trade in our favor is enormous. For the four fiscal years ending June 30, 1900, it was for 1897 $273,023,355, and for 1898 $534,624,851, for 1899 $504,086,295, and for 1900 $571,677,235, or a total of $1,883,411,736. To put it in round numbers, and more plainly, we have sent away in these four fiscal years 1,883 million dollars worth of commodities, including gold and silver, more than we have received! The absorbing question is, what has become of this enormous wealth? The question is unanswered and unanswerable. Some of it has been expended in paying traveling expenses abroad; some for the transportation of merchandise and passengers. Much of it has been expended in paying interest and dividends to foreign holders of property located here, and doubtless a fair share in liquidating old bonds and mortgages or by transferring the ownership back to

Americans. Some of it stands to our credit abroad, how much no one knows. One most remarkable fact is that by our government reports the net gold received in these four fiscal years was only $195,634,228. But this must not be deducted from the 1,883 million dollars standing to our credit on the national book account for these four fiscal years, as we have already made this deduction. It is fondly hoped and believed that something has been accomplished during the past four years in getting our people out of debt to foreigners.

However, should we again turn to this masterly exhibit, of the Bureau of Statistics of our foreign commerce for more than a century, and add up the gross balance of trade in our favor since June 30, 1873, and bring it down to June 30, 1899, we find that we have been sending abroad an enormous amount of property in every fiscal year but two, 1887 and 1888. On this gigantic deal, the balance standing to our credit by our national book account is $4,129,921,863! Do we realize the magnitude of this sum? Why should we constantly be rejoicing over it? In plain words, this means that in the twenty-seven years, ending with June 30, 1900, as we can now include this last fiscal year in our estimate, we have sent $4,701,599,098 worth of common merchandise, gold and silver to foreign countries in excess of all of our receipts officially recorded, and the greater the annual output of this kind the greater is the rejoicing by a large class, over our wonderful national prosperity! In reply to Mr. Hanna we would say, "We do want to change!" We want to be able to have more to show for our exports! Is there not a loose cog somewhere in our mental apparatus, as long as we keep up this kind of boasting? It certainly shows our enormous resources as a nation, in producing commodities in such vast proportion demanded by the world. We are exhausting millions of acres of our best lands, we are exhausting our mines and forests, but are we looking

out for ourselves as a nation? Are we getting a fair return for the products of our labor? There is wealth in foreign trade, but we contend that we ought to be able to make a better showing than this in our national book account.

For these twenty-seven years, by our unfair and unwise treatment of silver we have been reducing the average price of all the commodities, excepting gold only, we thus use to pay our debts abroad. Our imports and exports of gold have been approximately equal during this period of twenty-seven years, and hence, this product of labor can be eliminated as a fair trade.

We most earnestly appeal to American statesmanship to re-examine our position from the standpoint of special rejoicing over our enormous exports over imports! We feel that the American producer is not getting a fair deal in our foreign trade? The return is not large enough!

Let us illustrate our position. Suppose a farmer by hard work and skillful farming, after a year of plain living for himself and family, finds that he has accumulated one thousand dollars as a clear gain for that year. Now, should he be able to make a good investment of this thousand dollars for which he should receive a regular dividend, we would say it was a fair evidence of prosperity.

But let us alter the proposition. Suppose the farmer has a fixed charge of one thousand dollars to meet in Europe, for which he is entitled to no return. Suppose he finds, that year after year, he must produce more wheat, corn, cotton, or other products of the farm, on a constantly falling market to obtain his money. Suppose during these twenty-seven years one of his sons has grown up, and in the same way is burdened with a similar fixed charge per annum. He also must raise products to procure the

money on a constantly falling market. The amount of money, or rather its equivalent in products, they send abroad has increased. Then the Mark Hanna type of statesmen might find that we sent three thousand dollars worth of products abroad yearly when two thousand should have been fair. They might exclaim, "See how wealthy we are, see what power we have to do good to the world!" Some one would be benefited by these annual contributions, but the farmer and his family would be partially out of the deal, and their only real consolation would be that they might realize that "it is more blessed to give than to receive." By this passage of Scripture the United States has perhaps in the last twenty-seven years gained one of the clearest claims for being entitled to the greatest shower of blessings of any nation in the world! We give a large portion of our products without a fair return!

By our unwise legislation against silver since 1873, we have expended about four thousand and seven hundred million dollars worth of low- priced products which we have sent abroad, and used largely in debt paying, in excess of all the products we have received in return. The low price goods we have received balance the low price goods we obtained in exchange, but if we have sold this four thousand and seven hundred millions of an excess of products, at a reduction of even one-fourth of the price, brought about by our disuse of silver, we have virtually, by our own lack of wisdom, made a present of about one-fourth of this vast sum to our foreign customers! We have blindly paid this tribute to our foreign customers, as a penalty to our craze in favor of the so-called "existing gold standard."

A British Royal Commission, of very prominent men, were appointed by Queen Victoria, in 1886-87, to make a careful examination of this question. In summing up the reasons why Great Britain should sustain the gold standard the six gold standard members of the committee of twelve gave their conclusions in a hundred

and thirty-eight special statements. As a single one of these seems to cover the case very completely, hence, we quote it in full: "128—IT MUST BE REMEMBERED, TOO, THAT THIS COUNTRY IS LARGELY A CREDITOR COUNTRY OF DEBTS PAYABLE IN GOLD, AND ANY CHANGE WHICH ENTAILED A RISE IN THE PRICE OF COMMODITIES GENERALLY, THAT IS TO SAY, A DIMINUTION IN THE PURCHASING POWER OF GOLD, WOULD BE TO OUR DISADVANTAGE."

Does any one question the assertion, that if the United States had treated silver fairly since 1873, that our commodities would have sold at a higher price abroad, and as we were the debtor nation then would it not have been to our advantage? We would have received more gold for our exported goods, and would have been able to settle our gold debts with far more ease. The financial legislation of 1900, is far more vicious than our financial legislation of 1873!

The depression in the price of our exported commodities is only a small part of the injustice to the producer caused by discarding silver as a full legal tender in 1873, when its exchangeable value was nearly three per cent. greater than gold. This action of ours has enormously increased the burden of all debts at home and abroad! The very fact of us having to go abroad to borrow so much money, while our own ground contains such an abundance of gold and silver, which could have been used to such a good advantage, shows the absurdity of our anti-silver legislation since 1873. Our foreign trade is but a fraction in amount, when compared to our domestic trade, hence the loss to the producer from the same cause is correspondingly greater.

We hope that the American people will never cease to strenuously demand their just rights, taken away by the gold standard legislation of 1873 and 1900. The only way to secure justice is to constantly strive for

it, and it would be a crime against humanity for us to cease striving before justice is secured.

AN ESTIMATE OF THE VALUE OF GOLD COIN BONDS MADE BY WELL-KNOWN BANKERS.

In order to guess at the value of the national gift made by the change of the word "coin," in government obligations, by the addition of the simple word "gold," it may be well for the people of the United States to refer to such recent history as recorded in our financial annals of February, 1895.

It was then deemed necessary by our government to buy gold through the issue of national bonds. Those careful, calculating financiers, Augustus Belmont & Co. of N. Y., representing N. M. Rothschild & Sons of London and J. P. Morgan & Co., of N. Y., representing J. S. Morgan & Co. of London, do the figuring for us as to their estimate of the value of this simple adjective gold in the purchase of $62,315,435 in national bonds, running for thirty years. By their own offer such "gold" bonds were estimated to be worth to them $16,-174,770 more than "coin" bonds; virtually offering a premium to the government of over 25 per cent. The House of Representatives then wisely rejected this offer, but the law of March 14, 1900, gratuitously inserts this adjective "gold" in over 1,273 million dollars' worth of "coin" obligations and asks and expects the approval of the American voter. However, we note with satisfaction that the annual interest of the new bonds has been reduced to two per cent.

An American who disdainfully spurns the "Stars and Stripes" is not necessarily a traitor, but he may take this method of showing his contempt for this emblem of the Nation. The American, who openly calls our silver dollar a dishonest or fraudulent coin, because it does not equal the gold dollar in bullion value is not a traitor, but he does an act bearing a close kinship to treason. Our flag, and our money are both emblems of

the law and of the Nation's power. Neither offense is punishable by statute law.

We should bear in mind the reason the honest advocates of the gold standard give for their position, is the delusion that the value of gold, as a commodity, remains comparatively stable, regardless of the economic law of supply and demand. Hence, it is said our gold coins remain honest, sound money, while our silver coins which have fallen in price in comparison with gold as bullion are dishonest money! They constantly forget that the demand for silver for coinage into absolutely full legal tender money ceased by unwise legislation, in the United States, and in many other nations since about 1873-4. Statute laws enacted under misconceptions have produced this great fall in the price of silver. All official statistics, in regard to the world's annual production of gold and silver, show that silver has not been overproduced when compared with gold. In regard to this most important assertion we challenge the closest investigation.

No fact in political economy is more firmly settled than that the principal cause that gives gold and silver their extraordinary value in exchange for other commodities has been their extensive and universal use, for centuries, as money. Let it be burned into our minds, that nothing is money in its full sense in our age, unless it is absolutely a full legal tender. Whatever other quality money may have, this one is particularly essential for real money.

Let us treat such of our honest gold advocates who are deluded men with the same consideration that we would treat a man suddenly stricken with color blindness, whom we might catch spitting on the American flag, because the red and blue of the flag suddenly appeared to him of some other color. To this color-blind man this emblematical bunting was no longer the American flag; while to this believer in the stability in the

exchangeable value of gold, the silver dollar is logically no longer an honest American dollar!

We heard ex-President Harrison, before an audience of four or five thousand people, in the Auditorium, at Chicago, Feb. 22, 1898, speak with the greatest contempt in his manner of what he had the audacity to call the fifty-cent dollar! This utterance was greeted with applause by that audience. He uttered this opinion, although it was once in his power as President of the United States, by his executive authority, by commanding that dollar to be used as the law of 1878 permitted, to have made that dollar approximately equal to the gold dollar. As we painfully listened to this unpatriotic expression, it was a question if he did not merit our pity for his misconception of the situation, rather than our contempt for his demagoguism! With his reputation, for great intellectual ability and statesmanship, does he not blindly bow down before the golden calf, like many lesser men, attributing to it one of the characteristics of the Almighty, unchangeability?

THE ABSURDITY, AS WELL AS THE INJUSTICE OF THE FINANCIAL LEGISLATION OF MARCH 14, 1900.

The first section of the financial law of March 14, 1900, contains the following declaration: "That the dollar consisting of 25.8 grains of gold nine-tenths fine, as established by Section 3511 of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

In order to make this declaration clearer, if we refer to Section 3511 of the Revised Statutes, which is the codification of our laws, adopted on June 22, 1874, we find it is simply a declaration concerning the standard weight of all of our gold coins which are the multiples of our gold dollar.

The pivotal phrase of this new financial law is that "the dollar consisting of 25.8 grains of gold nine-tenths fine shall be the standard unit of value," as described in the first line of the title of this law "to fix and define the standard of value." The Congressional debate on this law, swung on this phrase "standard unit of value" like a gate on its hinges. Some of the advocates for the gold standard of value insisted that the United States practically had this gold standard from 1834—if not from 1834, then from 1853—and if not from 1853, then we surely had it from the date of the approval of the financial law of February 12, 1873. It was repeatedly asserted, in the late Congressional debate, that they intended to make no radical change in our laws, in regard to our standard, but only to give the validity of statute law to what already existed. The law of 1873 stopped the coinage of full legal tender silver dollars and declared that the gold dollar, nine-tenths fine as we now have it, "shall be the unit of value." Without a word of dispute we admit that the gold dollar unit was established in 1873 by statute law.

The law of 1878, re-establishing the coinage of the silver dollar and making them a legal tender for coin obligations, "except where otherwise expressly stipulated in the Contract," repealed this unit of value phrase. Section 4, of this law, says: "All acts and parts of acts inconsistent with the provisions of this act are hereby repealed." Although the bullion value of the silver dollar was then about eleven per cent. below the bullion value of the gold dollar, Congress refused to increase the amount of silver in that dollar. We again had the two "agents of valuation," standard gold and standard silver dollars, either of which could be used in exchanges or for debt paying. In regard to the laws of 1834 and 1853, we defy the most searching examination of these laws to find a word in them to justify the utterly false claim that the gold dollar was our unit of value at any time previous to 1873!

From the first organization of our mint in 1792, down to the passage of the law of February 12, 1873, the mints of the United States were always open to the coinage of gold and silver on an absolute equality as full legal tender money! During this period over 85 million dollars' worth of such full legal tender silver coins were made at our mints. All debts of the government, and all debts of the people could be paid in the full legal tender coins of either metal, without any discrimination being allowed to the creditor. The debtor had his choice, and the creditor had to abide by the law. More than this, both the government and the people wisely took advantage of this option, without the least reflection on their integrity, and settled their coin obligation with that particular coin which could be obtained with the greatest ease or least inconvenience. Down to that time we had two kinds of standard coins made of two kinds of precious metal, gold and silver. These coins were made out of alloys of these precious metals, the fineness of which was defined with precision in our statute laws, and hence these alloyed metals were properly defined as "standard metals." Hence, we always had "standard" coins made out of "standard" metals, but we repeat, neither was declared to be the unit of value until 1873. The law of 1792 named them units, but not units of value. The mints were open to the coinage of either metal into full legal tender money, and the free use of them was given to the people of the United States, either as mediums of exchange or for debt paying. It is true that from 1806 to 1838, thirty-three years, including both, we coined but one thousand silver dollars, but the coinage of the fractional silver coins, of similar weight and fineness to the dollar, were always absolutely on a par with gold and continued being coined. During this period the amount of our fractional silver coins made was more than double the value of our gold coins!

It is true we never coined a gold dollar until 1849,

and ceased coining it in 1889, but the coinage of gold in multiples of the dollar was always maintained. There was always an equality in the treatment of the two metals at our mints down to 1873. As a matter of fact, until the discovery of gold in California, the amount of the two kinds of standard coins made at our mints was approximately equal; after that time the coinage of gold went ahead with leaps and bounds. Then it had the decided preference among the people for one reason only, that was because gold was then the cheaper metal. It held this position until the mischievous legislation of 1873, when we, as one of the leading financial nations of the world, set the unwise example of making gold our only metal suitable to coin into full legal tender money.

It should never be forgotten that on February 12, 1873, we adopted the gold dollar unit, while the German Emperor issued his decree establishing the gold standard for Germany on July 9, 1873. The moral influence of these two great governments, as leaders in finance as well as in other matters, has been of momentous importance. It is true Great Britain established the gold standard in 1816 for part of her dominion, but until 1893, her great colony of India had open mints for silver coinage and no debt could be legally paid in gold until quite recently. Hence up to 1893, Great Britain was a powerful ally in maintaining the use of silver as full legal tender money. The sad record of nation after nation following our example in discarding silver is so well known that we need not repeat the details.

AN UNJUST LAW PASSED ON MISINFORMATION SHOULD BE REPEALED.

CONGRESSMAN OVERSTREET AND SENATOR ALDRICH AS BLIND LEADERS.

The financial law of March 14, 1900, was, in its leading characteristics, carefully prepared in advance of the convening of Congress by a committee, selected because

of their well known views in favor of a radical change in the financial system of the United States. These gentlemen were all pronounced advocates for taking away from the American people two of their most important privileges, the use of silver as full legal tender money, and the policy that the government should issue and control all of the credit money of the nation. It was given the first place on the calendar of the House of Representatives, and rushed through as a Republican caucus measure under the party lash, without giving the opponents a reasonable time and a fair chance to discuss a law of such momentous importance.

In order to further discard silver as one of the agents of valuation, a concentrated effort was made to show that we had used gold exclusively, as the sole agent of valuation, since the financial legislation of 1834. The expressions generally used were that "we had the gold standard," or that "we were on a gold basis." In spite of what is deemed to be the most explicit legislation in favor of the coinage and use of silver money, some of these gentlemen claimed with unblushing effrontery that the word "coin" used in our laws, and placed in our national bonds, meant gold coin only. However, they took special care to insert the word gold exactly where they wanted it in this new law, and in the new bonds, so that if the case should ever be brought before the courts for adjustment there could be no redress for the people.

Several of the gentlemen who were selected as the special spokesmen and expounders of this new law, were outspoken in their denial of the passage of certain well known and most important coinage laws, and also made astounding misstatements concerning many of the most thoroughly authenticated and undisputable facts in the monetary history of our country. It has not been deemed essential to take up the space necessary to quote these false assertions, and the evidence for the contradiction of them at this time, but we think it is particularly important to make a few direct quotations from the speeches of the two gentlemen, who respectively presented and led the debate on the passage of the bill through the House of Representatives and the Senate. These quotations relate to the pivotal point on which the coinage question turns! On a false theory, as expressed in these quotations, they have endeavored to show that they were not attempting to cause a grossly immoral breach of contract, and take the first step in a monstrous financial revolution against the rights and welfare of the mass of the people.

We do not make the rash accusation that all such leaders are dishonest men, knowing that their assertions were false. Unquestionably, a large number of the leading advocates for the so-called gold standard, and for transferring the control of the paper money of the nation into the hands of corporations, instead of keeping it in the hands of the Government, are men of integrity and honor, but we contend that they are most unfortunately mistaken. While we may thus charitably excuse the mass of those who have thus surrendered two of the most important rights of the American people; the fair use of silver as full legal tender money, and the issue and control of paper money, we do not excuse many others, who understand the issue as thoroughly as we do, but are actuated by a most unholy spirit of selfish greed and avarice. No words of ours can condemn such men with sufficient force. False assertions, made by men of unquestioned integrity, are far more mischievous than if made by those who have lost all reputation for integrity. Hence, we claim that this law was hastily passed under misapprehension and misinformation.

Hon. Jesse Overstreet of Indianapolis, Ind., a member of the House Committee on Banking and Currency, had the honor of introducing this bill, and explaining its object and scope in two elaborate speeches. He shows very conclusively that he was to a great extent

carrying out the intentions of the Indianapolis Monetary Commission, and was the chosen expounder of their demands. He represented the bondholders and national bankers; not the people. He contended all through his speeches that gold was then the standard of value, or as he put it, "If the legal standard of to-day is the gold standard, under the act of 1873, a positive statute to that effect can do no harm." Again, not being satisfied with the law of 1873, he refers back to the law of 1834, and says: "The present standard of value in this country is gold, and has been so recognized in practice for more that half a century."

When this bill was introduced in the Senate, it was presented by an elaborate speech by Senator Aldrich, of Rhode Island, the chairman of the Senate committee on finance. He said: "The act of February 12, 1873, made the gold dollar the sole unit of value, and no serious attempt has been made in the twenty-seven years which have elapsed since that act was passed to take away from our gold coinage this important function."

We will not extend quotations on this line any further, but we demand the earnest attention of the people of this nation to the fact, that utterly false assertions, such as are contained in these quotations, ran through the entire debate. On such a deceptive foundation they have erected this elaborate piece of machinery to further assist in the fearfully unequal distribution of the wealth of this wonderfully productive nation!

We contend that the only true statement made in these assertions, in regard to gold being our sole unit of value, is where a reference is made to the short period after the financial law of February 12, 1873, took effect, and until the repeal by the adoption of the law of February 28, 1878. During this short and miserable financial period gold was our legal unit of value, but it was always at a premium, and the business of the United States was transacted almost exclusively in our

then depreciated paper money. There is no possibility of anyone being able to successfully contradict the facts, that all of our silver coins that were made from 1792 to 1853, were absolutely on a par with gold as full legal debt payers and after 1853 until 1873 our silver dollars were equal to gold as debt payers, and that down to 1873 our mints were always open to the free coinage of full legal tender silver dollars! The law of 1792, when referring to all gold and silver coins, declares that they, "Shall be a lawful tender in all payments whatsoever." The financial law of 1837, changed the words a trifle, but the absolute legal tender power of these coins was not changed in the least, as they declared that the silver coins "shall be legal tenders of payment for any sum whatever," while for the gold coins it reads, "for all sums whatever." In 1853 a reduction was wisely made in the weight of the fractional silver coins, and SUCH coins only were declared to be "a legal tender for sums not exceeding five dollars." Subsequent legislation in 1879 increased this legal tender power to sums of ten dollars. However, this law of 1853, did not interfere with the full legal tender power of the silver dollar, nor of the old full weight fractional silver coins! It provided for a charge of one-half of one per cent for the coinage of the silver dollars and all gold coins. Under this law the coinage of silver dollars was carried out until 1873. As it was officially shown in this debate by a letter from the Director of the United States Mint, that we had coined more than 85,000,000 dollars worth of these absolutely full legal tender silver coins from 1792 down to 1873, what a bold assumption and misstatement of the historical fact for any man to dare to assert in the face of the American people, that the gold dollar was our sole standard at any time from 1792 to 1873! The amount of our coinage in gold and silver coins, absolutely on a par as legal tender with gold, was approximately equal down to the discovery

of gold in California (1848), when of course gold took the lead on account of its abundance and cheapness. When we refer to the period after 1873, Senator Aldrich correctly states the case down to the passage of the Bland-Allison law of 1878, but for him to add "that no serious attempt has been made in the twenty-seven years, which have elapsed since that act was passed to take away from our gold coinage this important function," is so unfair and untruthful that we deny it in the most positive terms. Does he forget that the average bullion value of the silver dollar is quoted in our Mint Report at about eleven per cent. less than gold in 1878? Does he forget that a strenuous but unsuccessful effort was made in the United States Senate by Senator Blaine to increase the weight of the silver dollar to equalize it with the gold dollar unit? Does he forget that by that law of 1878 the coinage of the silver dollar was then resumed, and that this law contains the clause, still standing unrepealed, which said these dollars "shall be a legal tender at their nominal value, for all debts and dues public and private, except where otherwise expressly stipulated in the contract"? Does he forget that the last section of this law of 1878 says: "All acts and parts of acts inconsistent with the provisions of this act are hereby repealed"? Let us ask what then happened to the clause of the law of 1873 which said "the gold dollar shall be the unit of value"? Was this clause not inconsistent, and was it not repealed? These gentlemen may have their eyes and hearts so firmly and idolatrously riveted to the feet of the golden shrine as not to realize the fact that in 1878 it was dethroned by statute law!

Have they not virtually confessed, and shown by their intense eagerness to pass this new law, that nothing but the enactment of such a law would place the gold dollar back on the unsound pedestal erected for it in 1873, and from which it was so savagely hurled on the

urgent demand of the people, by the wisdom of our law makers of 1878, many of whom frankly and humbly confessed their carelessness and folly of 1873?

May we not fondly hope that when it is again fully realized that a momentous act of unwise and unjust legislation has been consummated, based largely on false assumptions, and on a very careless study of the financial laws and history of our country, and on its pernicious effects, that some of the most active participators may frankly say as their predecessors said in 1878, "we have been careless and deceived and will endeavor to correct our mistake."

We demand that suitable provision should be made so that the debtor, whether the government or an individual, can always obtain a sufficient quantity of coins, either gold or silver as they may see fit, to use absolutely on a par as legal debt payers. With this right restored to us by the statute law, these coins all become money, standard money if you please, so that a debtor can always take his choice in the kind he may see fit to use in making exchanges for commodities or services, or in liquidating monetary debts.

A SCRAP OF HISTORY AND A GEM OF ORATORY.

On February 12, 1891, before the Ohio Republican League at Toledo, Ohio, Mr. McKinley made a notable address. This speech was published by the millions and circulated as a valuable campaign document in the Presidential campaign of 1892. It was also published in the bound copies of Mr. McKinley's great speeches. As the duties collected on sugar for the fiscal year ending June 30, 1899, were over $61,000,000, which is supposed by a great many people to tend in bolstering up the sugar trust, and as the craze against silver has been intensified also under the approval of Mr. McKinley, we re-publish the extract without any other comment except to remind you that his target at that time was another apostle of cheapness and the gold standard ex-President Cleveland.

"The gentleman who is now so insistent for cheap necessaries of life, while in office and clothed with authority, was unwilling that sugar, an article of prime necessity to every household, should come untaxed to the American people, when it was known that it was an annual burden upon them of $60,000,000. He stood then as the uncompromising friend of dear sugar for the masses. During all of his years at the head of the government he was dishonoring one of our precious metals, one of our own great products, discrediting silver, and enhancing the price of gold. He endeavored, even before his inauguration to office, to stop the coinage of silver dollars, and afterwards and to the end of his administration persistently used his power to that end. He was determined to contract the circulating medium and demonetize one of the coins of commerce, limit the volume of money among the people, make money scarce and therefore dear. He would have increased the value of money and diminished the value of everything else—money the master, everything else its servant. He was not thinking of 'the poor' then. He had left 'their side.' He was not 'standing forth in their defense.' Cheap coats, cheap labor, and dear money; the sponsor and promoter of these professing to stand guard over the welfare of the poor and lowly! Was there ever more glaring inconsistency or reckless assumption?"—Philadelphia Press, Feb. 13, 1891.

END OF
TITLE